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THE AMERICAN EMPIRE

By

SCOTT NEARING

Author of

"Wages in the United States"

"Income"

"Financing the Wage-Earner's Family"

"Anthracite"

"Poverty and Riches," etc.

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THE RAND SCHOOL OF SOCIAL SCIENCE
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CONTENTS

PART I

WHAT IS AMERICA?

CHAPTER	PAGE
I The Promise of 1776	7
II The Course of Empire	14

PART II

THE FOUNDATIONS OF EMPIRE.

A. THE CONQUEST OF AMERICA.

III Subjugating the Indians	26
IV Slavery for a Race	38
V Winning the West	49
VI The Beginnings of World Dominion	60

B. PLUTOCRACY.

VII The Struggle for Wealth and Power	74
VIII Their United States	88
IX The Divine Right of Property	103

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CONTENTS—Continued

PART III

MANIFEST DESTINY.

CHAPTER	PAGE
X Industrial Empires	120
XI The Great War	143
XII The Imperial Highroad	158

PART IV

THE UNITED STATES—A WORLD EMPIRE.

XIII The United States as a World Competitor .	177
XIV The Partition of the Earth	192
XV Pan-Americanism	202
XVI The American Capitalist and World Empire	218

PART V

THE CHALLENGE TO IMPERIALISM.

XVII The New Imperial Alignment	229
XVIII The Challenge in Europe	243
XIX The American Worker and World Empire .	256

The American Empire

I. THE PROMISE OF 1776

1. *The American Republic*

THE genius of revolution presided at the birth of the American Republic, whose first breath was drawn amid the economic, social and political turmoil of the eighteenth century. The voyaging and discovering of the three preceding centuries had destroyed European isolation and laid the foundation for a new world order of society. The Industrial Revolution was convulsing England and threatening to destroy the Feudal State. Western civilization, in the birthpangs of social revolution, produced first the American and then the French Republic.

Feudalism was dying! Divine right, monarchy, aristocracy, oppression, despotism, tyranny—these and all other devils of the old world order were bound for the limbo which awaits outworn, discredited social institutions. The Declaration of Independence officially proclaimed the new order,—challenging “divine right” and maintaining that “all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.”

Life, liberty and happiness were the heritage of the human race, and “whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new government laying its foundations on such principles, and organizing its

powers in such form, as to them shall seem likely to effect their safety and happiness.”

Thus the rights of the people were declared superior to the privileges of the rulers; revolution was justified; and the principles of eighteenth century individualism were made the foundation of the new political state. Aristocracy was swept aside and in its stead democracy was enthroned.

2. *The Yearning for Liberty*

The nineteenth century re-echoed with the language of social idealism. Traditional bonds were breaking; men's minds were freed; their imaginations were kindled; their spirits were possessed by a gnawing hunger for justice and truth.

Revolting millions shouted: “Liberty, Equality, Fraternity!” Sages mused; philosophers analyzed; prophets exhorted; statesmen organized toward this end.

Men felt the fire of the new order burning in their vitals. It purged them. They looked into the eyes of their fellows and saw its reflection. Dreaming of liberty as a maiden dreams of her lover, humanity awoke suddenly, to find liberty on the threshold.

Through the ages mankind has sought truth and justice. Vested interests have intervened. The powers of the established order have resisted, but the search has continued. That eternal vigilance and eternal sacrifice which are the price of liberty, are found wherever human society has left a record. At one point the forces of light seem to be winning. At another, liberty and truth are being ruthlessly crushed by the privileged masters of life. The struggle goes on—eternally.

Liberty and justice are ideals that exist in the human heart, but they are none the less real. Indeed, they are in a sense more potent, lying thus in immortal embryo, than they could be as tangible institutions. Institutions

are brought into being, perfected, kept past their time of highest usefulness and finally discarded. The hopes of men spring eternally, spontaneously. They are the true social immortality.

3. Government of the People

Feudalism as a means of organizing society had failed. The newly declared liberties were confided to the newly created state. It was political democracy upon which the founders of the Republic depended to make good the promise of 1776.

The American colonists had fled to escape economic, political and religious tyranny in the mother countries. They had drunk the cup of its bitterness in the long contest with England over the rights of taxation, of commerce, of manufacture, and of local political control. They had their fill of a mastery built upon the special privilege of an aristocratic minority. It was liberty and justice they sought and democracy was the instrument that they selected to emancipate themselves from the old forms of privilege and to give to all an equal opportunity for life, liberty and the pursuit of happiness.

Political democracy was to place the management of community business in the hands of the people—to give them liberty in the control of public affairs. The highest interest of democracy was to be the interest of the people. There could be no higher interest because the people were supreme. The people were to select the public servants; direct their activities; determine public policy; prescribe the law; demand its enforcement; and if need be assert their superior authority over any part of the government, not excepting the constitution.¹

¹ "It is, Sir, the people's constitution, the people's government, made for the people, made by the people, and answerable to the people."—Daniel Webster's reply to Hayne, 1830. "Speeches and Orations." E. P. Whipple, Boston, Little, Brown and Co., p. 257.

Democracy, in politics, was based on the idea that public affairs could best be run by the public voice. However expert may be the hand that administers the laws, the hand and the heart that renders the final decision in large questions must belong to the public.²

The people who laid the foundations for democracy in France and the United States feared tyranny. They and their ancestors had been, for centuries, the victims of governmental despotism. They were on their guard constantly against governmental aggression in any form. And they, therefore, placed the strictest limitations upon the powers that governments should enjoy.

Special privilege government was run by a special class,—the hereditary aristocracy—in the interest and for the profit of that class. They held the wealth of the nation—the land—and lived comfortably upon its produce. They never worked—no gentleman could work and remain a gentleman. They carried on the affairs of the court—sometimes well, sometimes badly; maintained an extravagant scale of social life; built up a vicious system of secret international diplomacy; commanded in time of war, and at all times; levied rents and taxes which went very largely to increase their own comfort and better their own position in life. The machinery of government and the profits from government remained in the hands of this one class.

Class government from its very nature could not be other than oppressive. "All hereditary government over a people is to them a species of slavery and representative government is freedom." "All hereditary government is in its nature tyranny. . . . To inherit a government is to inherit the people as if they were flocks and herds."³

² Tom Paine held ardently to this doctrine, "It is always the interest of a far greater number of people in a Nation to have things right than to let them remain wrong; and when public matters are open to debate, and the public judgment free, it will not decide wrong unless it decides too hastily!" "Rights of Man," Part II, Ch. 4.

³ "Rights of Man," Thomas Paine. Part II, Chapter 3.

4. *The Source of Authority*

The people were to be the source of authority in the new state. The citizen was to have a voice because he was an adult, capable of rendering judgment in the selection of public servants and in the determination of public policy.

All through history there had been men into whose hands supreme power had been committed, who had carried this authority with an astounding degree of wisdom and integrity. For every one who had comported himself with such wisdom in the presence of supreme authority, there were a score, or more likely a hundred, who had used this power stupidly, foolishly, inefficiently, brutally or viciously.

Few men are good enough or wise enough to keep their heads while they hold in their hands unlimited authority over their fellows. The pages of human experience were written full of the errors, failures, and abuses of which such men so often have been guilty.

The new society, in an effort to prevent just such transgressions of social well being, placed the final power to decide public questions in the hands of the people. It was not contended, or even hoped that the people would make no mistakes, but that the people would make fewer mistakes and mistakes less destructive of public well-being than had been made under class government. At least this much was gained, that the one who abused power must first secure it from those whom he proposed to abuse, and must later exercise it unrestrained to the detriment of those from whom the power was derived and in whom it still resided.

The citizen was to be the source of authority. His word, combined with that of the majority of his fellows, was final. He delegated authority. He assented to laws which were administered over all men, including himself. He accepts the authority of which he was the source.

5. *The American Tradition*

This was the American tradition. This was the language of the new, free world. Life, liberty and happiness; popular sovereignty; equal opportunity. This, to the people of the old countries was the meaning of America. This was the promise of 1776.

When President Wilson went to Europe, speaking the language of liberty that is taught in every American school-room, the plain people turned to him with supreme confidence. To them he was the embodiment of the spirit of the West.

Native-born Americans hold the same idea. To them the Declaration of Independence was a final break with the old order of monarchical, imperial Europe. It was the charter of popular rights and human liberties, establishing once for all the principles of self-government and equal opportunity.

The Statue of Liberty, guarding the great port of entrance to America, symbolizes the spirit in which foreigners and natives alike think of her—as the champion of the weak and the oppressed; the guardian of justice; the standard-bearer of freedom.

This spirit of America is treasured to-day in the hearts of millions of her citizens. To the masses of the American people America stands to-day as she always stood. They believe in her freedom; they boast of her liberties; they have faith in her great destiny as the leader of an emancipated world. They respond, as did their ancestors, to the great truths of liberty, equality, and fraternity that inspired the eighteenth century.

The tradition of America is a hope, a faith, a conviction, a burning endeavor, centering in an ideal of liberty and justice for the human race.

Patrick Henry voiced this ideal when, a passionate appeal for freedom being interrupted by cries of "Treason,

treason!" he faced the objector with the declaration, "If this be treason, make the most of it!"

Eighteenth century Europe, struggling against religious and political tyranny, looked to America as the land of Freedom. America to them meant liberty. "What Athens was in miniature, America will be in magnitude," wrote Tom Paine. "The one was the wonder of the ancient world; the other is becoming the admiration, the model of the present." ("The Rights of Man," Part II, Chapter 3.) The promise of 1776 was voiced by men who felt a consuming passion for freedom; a divine discontent with anything less than the highest possible justice; a hatred of tyranny, oppression and every form of special privilege and vested wrong. They yearned over the future and hoped grandly for the human race.

II. THE COURSE OF EMPIRE

1. *Promise and Fulfillment*

A VAST gulf yawns between the inspiring promise that a handful of men and women made to the world in 1776, and the fulfillment of that promise that is embodied in twentieth century American life. The pre-war indifference to the loss of liberty; the gradual encroachments on the rights of free speech, and free assemblage and of free press; the war-time suppressions, tyrannies, and denials of justice; the subsequent activities of city, state, and national legislatures and executives in passing and enforcing laws that provided for military training in violation of conscience, the denial of freedom of belief, of thought, of speech, of press and of assemblage,—activities directed specifically to the negation of those very principles of liberty which have constituted so intimate a part of the American tradition of freedom,—form a contrast between the promise of 1776 and the twentieth century fulfillment of that promise which is brutal in its terrible intensity.

Many thoughtful Americans have been baffled by this conflict between the aims of the eighteenth century and the accomplishments of the twentieth. The facts they admit. For explanation, either they may say, "It was the war," implying that with the cessation of hostilities and the return to a peace basis, the situation has undergone a radical change; or else they blame some individual or some organization for the extinction of American liberties.

Great consequences arise from great causes. A general break-down of liberties cannot be attributed to individual caprice nor to a particular legislative or judicial act.

The denial of liberty in the United States is a matter of of large import. No mayor, governor, president, legislature, court, magnate, banker, corporation or trust, and

no combination of these individuals and organizations could arbitrarily destroy the American Republic. Underneath personality and partisanship are working the forces which have stripped the American people of their essential liberties as the April sun strips the mountains of their snow.

No one can read the history of the United States since the drafting of the Declaration of Independence without being struck by the complete transformation in the forms of American life. The Industrial Revolution which had gripped England for half a century, made itself felt in the United States after 1815. Steam, transportation, industrial development, city life, business organization, expansion across the continent—these are the factors that have made of the United States a nation utterly apart from the nation of which those who signed the Declaration of Independence and fought the Revolution dreamed.

These economic changes have brought political changes. The American Republic has been thrust aside. Above it remains towers a mighty imperial structure,—the world of business,—bulwarked by usage and convention; safeguarded by legislation, judicial interpretation, and the whole power of organized society. That structure is the American Empire—as real to-day as the Roman Empire in the days of Julius Caesar; the French Empire under the Little Corporal, or the British Empire of the Great Commoner, William E. Gladstone.

Approved or disapproved; exalted or condemned; the fact of empire must be evident even to the hasty observer. The student, tracing its ramifications, realizes that the structure has been building for generations.

2. The Characteristics of Empire

Many minds will refuse to accept the term "empire" as applied to a republic. Accustomed to link "empire" with "emperor," they conceive of a supreme hereditary ruler as an essential part of imperial life. A little re-

flection will show the inadequacy of such a concept. "The British Empire" is an official term, used by the British Government, although Great Britain is a limited monarchy, whose king has less power than the President of the United States. On the other hand, eastern potentates, who exercise absolute sway over their tiny dominions do not rule "empires."

Recent usage has given the term "empire" a very definite meaning, which refers, not to an "emperor" but to certain relations between the parts of a political or even of an economic organization. The earlier uses of the word "empire" were, of course, largely political. Even in that political sense, however, an "empire" does not necessarily imply the domain of an "emperor."

According to the definition appearing in the "New English Dictionary" wherever "supreme and extensive political dominion" is exercised "by a sovereign state over its dependencies" an empire exists. The empire is "an aggregation of subject territories ruled over by a sovereign state." The terms of the definition are political, but it leaves the emperor entirely out of account and makes an empire primarily a matter of organization and not of personality.

During the last fifty years colonialism, the search for foreign markets, and the competition for the control of "undeveloped" countries has brought the words "empire" and "imperialism" into a new category, where they relate, not to the ruler—be he King or Emperor—but to the extension of commercial and economic interests. The "financial imperialism" of F. C. Howe and the "imperialism" of J. A. Hobson are primarily economic and only incidentally political.

"Empire" conveys the idea of widespread authority, dominion, rule, subjugation. Formerly it referred to political power; to-day it refers to economic power. In either case the characteristics of empire are,—

1. Conquered territory.

2. Subject peoples.
3. An imperial or ruling class.
4. The exploitation of the subject peoples and the conquered territory for the benefit of the ruling class.

Wherever these four characteristics of imperial organization exist, there is an empire, in all of its essential features. They are the acid-test, by which the presence of empire may be determined.

Names count for nothing. Rome was an empire, while she still called herself a republic. Napoleon carried on his imperial activities for years under the authority of Republican France. The existence of an empire depends, not upon the presence of an "emperor" but upon the presence of those facts which constitute Empire,—conquered territory; subject peoples; an imperial class; exploitation by and for this class. If these facts exist in Russia, Russia is an empire; if they are found in Germany, Germany is an empire; if they appear in the United States, the United States is an empire none the less surely,—traditions, aspirations and public conviction to the contrary notwithstanding.

3. The Preservation of Empire

The first business of an imperial class is the preservation of the empire to which it owes its advantages and privileges. Therefore, in its very essence, imperialism is opposed to popular government. "The greatest good to the greatest number" is the ideal that directs the life of a self-governing community. "The safety and happiness of the ruling class" is the first principle of imperial organization.

Imperialism is so generally recognized and so widely accepted as a mortal foe of popular government that the members of an imperial class, just rising into power, are always careful to keep the masses of the people ignorant of

the true course of events. This necessity explains the long period, in the history of many great empires, when the name and forms of democracy were preserved, after the imperial structure had been established on solid foundations. Slow changes, carefully directed and well disguised, are necessary to prevent outraged peoples from rising against an imperial order when they discover how they have been sold into slavery. Even with all of the safeguards, under the control of the ablest statesmen, Caesar frequently meets his Brutus.

The love of justice; the yearning for liberty; the sense of fair play; the desire to extend opportunity, all operate powerfully upon those to whom the principles of self-government are dearest, leading them to sacrifice position, economic advantage, and sometimes life itself for the sake of the principles to which they have pledged their faith.

Therein lies what is perhaps one of the most essential differences between popular government and empire. The former rests upon certain ideas of popular rights and liberties. The latter is a weapon of exploitation in the hands of the ruling class. Popular government lies in the hopes and beliefs of the people. Empire is the servant of ambition and the shadow of greed. Popular government has been evolved by the human race at an immense sacrifice during centuries of struggle against the forms and ideas that underly imperialism. Since men have set their backs on the past and turned their faces with resolute hope to the future, empire has repelled them, while democracy has called and beckoned.

Empires have been made possible by "bread and circuses"; by appealing to an abnormally developed sense of patriotism; by the rule of might where largess and cajolery have failed. Rome, Germany and Britain are excellent examples of these three methods. In each case, millions of citizens have had faith in the empire, believing in its promise of glory and of victory; but on the other hand, this belief could be maintained only by a continuous propaganda—triumphs in Rome, school-books and "boilerplate"

in Germany and England. Even then, the imperial class is none too secure in its privileges. Always from the abysses of popular discontent, there arises some Spartacus, some Liebknecht, some Smillie, crying that "the future belongs to the people."

The imperial class, its privileges unceasingly threatened by the popular love of freedom—devotes not a little attention to the problem of "preserving law and order" by suppressing those who speak in the name of liberty, and by carrying on a generous advertising campaign, the object of which is to persuade the people of the advantages which they derive from imperial rule.

During the earlier stages in the development of empire, the imperial class is able to keep itself and its designs in the background. As time passes, however, the power of the imperialist becomes more and more evident, until some great crisis forces the empire builders to step out into the open. They then appear as the frank apologists, spokesmen and defenders of the order for which they have so faithfully labored and from which they expect to gain so much.

Finally, the ambition of some aggressive leader among the imperialists, or a crisis in the affairs of the empire leads to the next step—the appointment of a "dictator," "supreme ruler" or "emperor." This is the last act of the imperial drama. Henceforth, the imperial class divides its attention between,—

1. The suppression of agitation and revolt among the people at home;
2. Maintaining the imperial sway over conquered territory;
3. Extending the boundaries of the empire and
4. The unending struggle between contending factions of the ruling class for the right to carry on the work of exploitation at home and abroad.

4. *The Price of Empire*

Since the imperial or ruling class is willing to go to any lengths in order to preserve the empire upon which its privileges depend, it follows that the price of empire must be reckoned in the losses that the masses of the people suffer while safeguarding the privileges of the few.

As a matter of course, conquered and dependent people pay with their liberty for their incorporation into the empire that holds dominion over them. On any other basis, empire is unthinkable. Indeed the terms "dependencies," "domination," and "subject" carry with them only one possible implication—the subordination or extinction of the liberties of the peoples in question.

The imperial class—a minority—depends for its continued supremacy upon the ownership of some form of property, whether this property be slaves, or land, or industrial capital. As Veblen puts it: "The emergence of the leisure class coincides with the beginning of ownership." ("Theory of the Leisure Class," T. Veblen, New York. B. W. Huebsch, 1899, p. 22.) Necessarily, therefore, the imperial class will sacrifice the so-called human or personal rights of the home population to the protection of its property rights. Indeed the property rights come to be regarded as the essential human rights, although there is but a small minority of the community that can boast of the possession of property.

The superiority of ruling class property rights over the personal rights and liberties of the inhabitants in a subject territory is taken as a matter of course. Even in the home country, where the issue is clearly made, the imperial class will sacrifice the happiness, the health, the longevity, and the lives of the propertyless class in the interest of "law and order" and "the protection of property." The stories of the Roman populace; of the French peasants under Louis XIV; of the English factory workers (men, women and children) during the past hundred years, and of the low skilled workers in the United States since the Civil War,

furnish ample proof of the correctness of this contention. The life, liberty and happiness of the individual citizen is a matter of small importance so long as the empire is saved.

A crisis in imperial affairs is always regarded, by the ruling class, as a legitimate reason for curtailing the rights of the people. Under ordinary circumstances, the imperial class will gain rather than lose from the exercise of "popular liberties." Indeed, the exercise of these liberties is of the greatest assistance in convincing the people that they are enjoying freedom and thus keeping them satisfied with their lot. But in a period of turmoil, with men's hearts stirred, and their souls aflamed with conviction and idealism, there is always danger that the people may exercise their "unalienable right" to "alter or abolish" their form of government. Consequently, during a crisis, the imperial class takes temporary charge of popular liberties. Every great empire engaged in the recent war passed through such an experience. In each country the ruling class announced that the war was a matter of life and death. Papers were suppressed or censored; free speech was denied; men were conscripted against will and conscience; constitutions were thrust aside; laws "slumbered"; writers and thinkers were jailed for their opinions; food was rationed; industries were controlled—all in the interest of "winning the war." After the war was won, the victors practiced an even more rigorous suppression while they were "making the peace." Then followed months and years of protests and demands, until, one by one, the liberties were retaken by the people or else the war-tyranny, once firmly established, became a part of "the heritage of empire." In such cases, where liberties were not regained, the plain people learned to do without them.

Liberty is the price of empire. Imperialism presupposes that the people will be willing, at any time, to surrender their "rights" at the call of the rulers.

5. *The Universality of Empire*

Imperialism is not new, nor is it confined to one nation or to one race. On the contrary it is as old as history and as wide as the world.

Before Rome, there was Carthage. Before Carthage, there were Greece, Macedonia, Egypt, Assyria, China. Where history has a record, it is a record of empire.

During modern times, international affairs have been dominated by empires. The great war was a war between empires. During the first three years, the two chief contestants were the British Empire on the one hand and the German Empire on the other. Behind these leaders were the Russian Empire, the Italian Empire, the French Empire, and the Japanese Empire.

The Peace of Versailles was a peace between empires. Five empires dominated the peace table—Great Britain, France, Italy, Japan and the United States. The avowedly anti-imperial nations of Europe—Russia and Hungary—were not only excluded from the deliberations of the Peace Table, but were made the object of constant diplomatic, military and economic aggression by the leading imperialist nations.

6. *The Evolution of Empire*

Empires do not spring, full grown, from the surroundings of some great historic crisis. Rather they, like all other social institutions, are the result of a long series of changes that lead by degrees from the pre-imperial to the imperial stage. Many of the great empires of the past two thousand years have begun as republics, or, as they are sometimes called, "democracies," and the processes of transformation from the republican to the imperial stage have been so gradual that the great mass of the people were not aware that any change had occurred until the emperor ascended the throne.

The development of empire is of necessity a slow process. There are the dependent people to be subjected; the territory to conquered; the imperial class to be built up. This last process takes, perhaps, more time than either of the other two. Class consciousness is not created in a day. It requires long experience with the exercise of imperial power before the time has come to proclaim an emperor, and forcibly to take possession of the machinery of public affairs.

7. The United States and the Stages of Empire

Any one who is familiar with its history will realize at once that the United States is passing through some of the more advanced stages in the development of empire. The name "Republic" still remains; the traditions of the Republic are cherished by millions; the republican forms are almost intact, but the relations of the United States to its conquered territory and its subject peoples; the rapid maturation of the plutocracy as a governing class or caste; the shamelessness of the exploitation in which the rulers have indulged; and the character of the forces that are now shaping public policy, proclaim to all the world the fact of empire.

The chief characteristics of empire exist in the United States. Here are conquered territory; subject peoples; an imperial, ruling class, and the exploitation by that class of the people at home and abroad. During generations the process of empire have been working, unobserved, in the United States. Through more than two centuries the American people have been busily laying the foundations and erecting the imperial structure. For the most part, they have been unconscious of the work that they were doing, as the dock laborer, is ordinarily unconscious of his part in the mechanism of industry. Consciously or unconsciously, the American people have reared the imperial structure, until it stands, to-day, imposing in its grandeur, upon the spot where many of the founders of the American government hoped to see a republic.

The entrance of the United States into the war did not greatly alter the character of the forces at work, nor did it in any large degree change the direction in which the country was moving. Rather, it brought to the surface of public attention factors of American life that had been evolving unnoticed, for generations.

The world situation created by the war compelled the American imperial class to come out in the open and to occupy a position that, while wholly inconsistent with the traditions of American life, is nevertheless in keeping with the demands of imperial necessity. The ruling class in the United States has taken a logical step and has made a logical stand. The masters of American life have done the only thing that they could do in the interests of the imperial forces that they represent. They are the victims, as much as were the Kaiser and the Czar on the one hand, and the Belgians and the Serbs on the other, of that imperial necessity that knows no law save the preservation of its own most sacred interests.

Certain liberal American thinkers have taken the stand that the incidents of 1917-1918 were the result of the failure of the President, and of certain of his advisers, to follow the theories which he had enunciated, and to stand by the cause that he had espoused. These critics overlook the incidental character of the war as a factor in American domestic policy. The war never assumed anything like the importance in the United States that it did among the European belligerents. On the surface, it created a furore, but underneath the big fact staring the administration in the face was the united front of the business interests, and their organized demands for action. The far-seeing among the business men realized that the plutocratic structure the world over was in peril, and that the fate of the whole imperial régime was involved in the European struggle. The Russian Revolution of March 1917 was the last straw. From that time on the entrance of the United States into the war became a certainty as the only means of "saving (capitalist) civilization."

The thoughtful student of the situation in the United States is not deceived by personalities and names. He realizes that the events of 1917-1918 have behind them generations of causes which lead logically to just such results; that he is witnessing one phase of a great process in the life of the American nation—a process that is old in its principles yet ever new in its manifestations.

Traditional liberties have always given way before imperial necessity. An examination of the situation in which the ruling class of the United States found itself in 1917, and of the forces that were operating to determine public policy, must convince even the enthusiast that the occurrences of 1917 and the succeeding years were the logical outcome of imperial necessity. To what extent that explanation will account for the discrepancy between the promise of 1776 and the twentieth century fulfillment of that promise must appear from a further examination of the evidence.

III. SUBJUGATING THE INDIANS

1. *The Conquering Peoples*

THE first step in the establishment of empire—the conquest of territory and the subjugation of the conquered populations,—was taken by the people of the United States at the time of their earliest settlements. They took the step naturally, unaffectedly, as became the sons of their fathers.

The Spanish, French and English who made the first settlement in North America were direct descendants of the tribes that have swept across Europe and portions of Asia during the past three or four thousand years. These tribes, grouped on the basis of similarity in language under the general term “Aryan,” hold a record of conquest that fills the pages of written history.

Hunger; the pressure of surplus population; the inrush of new hordes of invaders, drove them on. Ambition; the love of adventure; the lure of new opportunities in new lands, called them further. Meliorism,—the desire to better the conditions of life for themselves and for their children—animated them. In later years the necessity of disposing of surplus wealth impelled them. Driven, lured, coerced, these Aryan tribes have inundated the earth. Passing beyond the boundaries of Europe, they have crossed the seas into Africa, Asia, America and Australia.

Among the Aryans, after bitter strife, the Teutons have attained supremacy. The “Teutonic Peoples” are “the English speaking inhabitants of the British Isles, the German speaking inhabitants of Germany, Austria-Hungary and Switzerland, the Flemish speaking inhabitants of Belgium, the Scandinavian inhabitants of Sweden and Norway and practically all of the inhabitants of Holland and Denmark.” (“Encyclopedia Britannica.”)

This Teutonic domination has been established only by the bitterest of struggles. During the time when North America was being settled, the English dispossessed first the Spanish and later the French. Since the Battle of Waterloo—won by English and German troops; and the Crimean War—won by British against Russian troops—the Teutonic power has gone unchallenged and so it remains to-day.

The dominant power in the United States for nearly two centuries has been the English speaking power. Thus the Americans draw their inspiration, not only from the Aryan, but from the English speaking Teutons—the most aggressive and dominating group among the Aryans.

Three hundred years ago the title to North America was claimed by Spain, France and Great Britain. The land itself was almost entirely in the hands of Indian tribes which held the possession that according to the proverb, is “nine points of the law.”

The period of American settlement has witnessed the rapid dispossession of the original holders, until, at the present time, the Indians have less than two per cent of the land area of the United States.¹

The conquest, by the English speaking whites, of the three million square miles which comprise the United States has been accomplished in a phenomenally short space of time. Migration; military occupation; appropriation of the lands taken from the “enemy;” settlement, and permanent exploitation—through all these stages of conquest the country has moved.

The “Historical Register of the United States Army” (F. B. Heitman, Washington, Govt. Print., 1903, vol. 2, pp. 298-300) contains a list of 114 wars in which the United States has been engaged since 1775. The publication likewise presents a list of 8600 battles and engagements incident

¹ The total number of square miles in Indian Reservations in 1918 was 53,490 as against 241,800 square miles in 1880. (Statistical Abstract of the United States, 1918, p. 8.)

to these 114 wars. Two of these wars were with England, one with Mexico and one with Spain. These, together with the Civil War and the War with Germany, constitute the major struggles in which the United States has been engaged. In addition to these six great wars there were the numerous wars with the Indians, the last of which (with the Chippewa) occurred in 1898. Some of these Indian "wars" were mere policing expeditions. Others, like the wars with the Northwest Indians, with the Seminoles and with the Apaches, lasted for years and involved a considerable outlay of life and money.

When the Indian Wars were ended, and the handful of red men had been crushed by the white millions, the American Indians, once possessors of a hunting ground that stretched across the continent, found themselves in reservations, under government tutelage, or else, abandoning their own customs and habits of life, they accepted the "pale-face" standards in preference to their own well-loved traditions.

The territory flanking the Mississippi Valley, with its coastal plains and the deposits of mineral wealth, is one of the richest in the world. Only two other areas, China and Russia, can compare with it in resources.

This garden spot came into the possession of the English speaking whites almost without a struggle. It was as if destiny had held a door tight shut for centuries and suddenly had opened it to admit her chosen guests.

History shows that such areas have almost always been held by one powerful nation after another, and have been the scene of ferocious struggles. Witness the valleys of the Euphrates, the Nile, the Danube, the Po and the Rhine. The barrier of the Atlantic saved North America.

Had the Mississippi Valley been in Europe, Asia or Northern Africa, it would doubtless have been blood-soaked for centuries and dominated by highly organized nations, armed to the teeth. Lying isolated, it presented an almost virgin opportunity to the conquering Teutons of Western Europe.

Freed by their isolated position from the necessity of contending against outside aggression, the inhabitants of the United States have expended their combative energies against the weaker peoples with whom they came into immediate contact,—

1. The Indians, from whom they took the land and wrested the right to exploit the resources of the continent;
2. The African Negroes who were captured and brought to America to labor as slaves;
3. The Mexicans, from whom they took additional slave territory at a time when the institution of slavery was in grave danger, and
4. The Spanish Empire from which they took foreign investment opportunities at a time when the business interests of the country first felt the pressure of surplus wealth.

Each of these four groups was weak. No one of them could present even the beginnings of an effectual resistance to the onslaught of the conquerors. Each in turn was forced to bow the knee before overwhelming odds.

2. The First Obstacle to Conquest

The first obstacle to the spread of English civilization across the continent of North America was the American Indian. He was in possession of the country; he had a culture of his own; he held the white man's civilization in contempt and refused to accept it. He had but one desire,—to be let alone.

The continent was a "wilderness" to the whites. To the Indians it was a home. Their villages were scattered from the Atlantic to the Pacific, from the Gulf to Alaska; they knew well its mountains, plains and rivers. A primitive people, supporting themselves largely by hunting, fishing, simple agriculture and such elemental manual arts

as pottery and weaving, they found the vast stretches of North America none too large to provide them with the means of satisfying their wants.

The ideas of the Indian differed fundamentally from those of the white man. Holding to the Eastern conception which makes the spiritual life paramount, he reduced his material existence to the simplest possible terms. He had no desire for possessions, which he regarded—at the best—as “only means to the end of his ultimate perfection.”² To him, the white man’s desire for wealth was incomprehensible and the white man’s sedentary life was contemptible. He must be free at all times to commune with nature in the valleys, and at sunrise and sunset to ascend the mountain peak and salute the Great Spirit.

The individual Indian—having no desire for wealth—could not be bribed or bought for gold as could the European. The leaders, democratically selected, and held by the most enduring ties of loyalty to their tribal oaths, were above the mercenary standards of European commerce and statesmanship. Friendly, hospitable, courteous, generous, hostile, bitter, ferocious they were—but they were not for sale.

The attitude of the Indian toward the land which the white men coveted was typical of his whole relation with white civilization. “Land ownership, in the sense in which we use the term, was unknown to the Indians till the whites came among them.”³ The land devoted to villages was tribal property; the hunting ground surrounding the village was open to all of the members of the tribe; between the hunting grounds of different tribes there was a neutral territory—no man’s land—that was common to both. If a family cultivated a patch of land, the neighbors did not trespass. Among the Indians of the Southwest the village owned the agricultural land and “periodically its

² “The Indian of To-day,” C. A. Eastman. New York, Doubleday, 1915, p. 4.

³ “The Indian and His Problem,” F. E. Leupp. New York, Scribners, 1910, p. 23.

governor, elected by popular vote, would distribute or redistribute the arable acres among his constituents who were able to care for them.”⁴ The Indians believed that the land, like the sunlight, was a gift of the Great Spirit to his children, and they were as willing to part with the one as with the other.

They carried their communal ideas still farther. Among the Indians of the Northwest, a man's possessions went at his death to the whole tribe and were distributed among the tribal members. Among the Alaskan Indians, no man, during his life, could possess more than he needed while his neighbor lacked. Food was always regarded as common property. “The rule being to let him who was hungry eat, wherever he found that which would stay the cravings of his stomach.”⁵ The motto of the Indian was “To each according to his need.”

Such a communist attitude toward property, coupled with a belief that the land—the gift of the Great Spirit—was a trust committed to the tribe, proved a source of constant irritation to the white colonists who needed additional territory. As the colonies grew, it became more and more imperative to increase the land area open for settlement, and to such encroachments the Indian offered a stubborn resistance.

The Indian would not—could not—part with his land, neither would he work, as a slave or a wage-servant. Before such degradation he preferred death. Other peoples—the negroes; the inhabitants of Mexico, Peru and the West Indies; the Hindus and the Chinese—made slaves or servants. The Indian for generations held out stolidly against the efforts of missionaries, farmers and manufacturers alike to convert him into a worker.

The Indian could not understand the ideas of “purchase,” “sale” and “cash payment” that constitute essential features of the white man's economy. To him strength

⁴ Ibid., p. 24.

⁵ Ibid., p. 10.

of limb, courage, endurance, sobriety and personal dignity and reserve were infinitely superior to any of the commercial virtues which the white men possessed.

This attitude of the Indian toward European standards of civilization; his indifference to material possessions; his unwillingness to part with the land; and his refusal to work, made it impossible to "assimilate" him, as other peoples were assimilated, into colonial society. The individual Indian would not demean himself by becoming a cog in the white man's machine. He preferred to live and die in the open air of his native hills and plains.

The Indian was an intense individualist—trained in a school of experience where initiative and personal qualities were the tests of survival. He placed the soles of his moccasined feet firmly against his native earth, cast his eyes around him and above him and melted harmoniously into his native landscape.

Missionaries and teachers labored in vain—once an Indian, always an Indian. The white settlers pushed on across mountain ranges and through valleys. Generations came and went without any marked progress in bringing the white men and the red men together. When the Indian, in the mission or in the government school did become "civilized," he gave over his old life altogether and accepted the white man's codes and standards. The two methods of life were too far apart to make amalgamation possible.

3. Getting the Land

The white man must have land! Population was growing. The territory along the frontier seemed rich and alluring.

Everywhere, the Indian was in possession, and everywhere he considered the sale of land in the light of parting with a birth-right. He was friendly at first, but he had no sympathy with the standards of white civilization.

For such a situation there was only one possible solution. Under the plea that "necessity knows no law" the white man took up the task of eliminating the Indian, with the least friction, and in the most effective manner possible.

There were three methods of getting the land away from the Indian—the easiest was by means of treaties, under which certain lands lying along the Atlantic Coast were turned over to the whites in exchange for larger territories west of the Mississippi. The second method was by purchase. The third was by armed conquest. All three methods were employed at some stage in the relations between the whites and each Indian tribe.

The experience with the Cherokee Nation is typical of the relation between the whites and the other Indian tribes. (Annual Report of the Bureau of Ethnology. Vol. 5. "The Cherokee Nation," by Charles C. Royce.)

The Cherokee nation before the year 1650 was established on the Tennessee River, and exercised dominion over all the country on the east side of the Alleghany Mountains, including the head-waters of the Yadkin, the Catawba, the Broad, the Savannah, the Chattahoochee and the Alabama. In 1775 there were 43 Cherokee towns covering portions of this territory. In 1799 their towns numbered 51.

Treaty relations between the whites and the Cherokees began in 1721, when there was a peace council, held between the representatives of 37 towns and the authorities of South Carolina. From that time, until the treaty made with the United States government in 1866, the Cherokees were gradually pushed back from their rich hunting grounds toward the Mississippi valley. By the treaty of 1791, the United States solemnly guaranteed to the Cherokees all of their land, the whites not being permitted even to hunt on them. In 1794 and 1804 new treaties were negotiated, involving additional cessions of land. By the treaty of 1804, a road was to be cut through the Cherokee territory, free for the use of all United States citizens.

An agitation arose for the removal of the Cherokees to some point west of the Mississippi River. Some of the Indians accepted the opportunity and went to Arkansas. Others held stubbornly to their villages. Meanwhile white hunters and settlers encroached on their land; white men debauched their women, and white desperadoes stole their stock. By the treaty of 1828 the United States agreed to possess the Cherokees and to guarantee to them forever several millions of acres west of Arkansas, and in addition a perpetual outlet west, and a "free and unmolested use of all the country lying west of the western boundary of the above described limits and as far west as the sovereignty of the United States and their right of soil extend" (p. 229). The Cherokees who had settled in Arkansas agreed to leave their lands within 14 months. By the treaty of 1836 the Cherokees ceded to the United States all lands east of the Mississippi. There was considerable difficulty in enforcing this provision but by degrees most of the Indians were removed west of the river. In 1859 and 1860 the Commissioner of Indian affairs prepared a survey of the Cherokee domain. This was opposed by the head men of the nation. By the Treaty of 1866 other tribes were quartered on land owned by the Cherokees and railroads were run through their territory.

~ Diplomacy, money and the military forces had done their work. The first treaty, made in 1721, found the Cherokee nation in virtual possession of the mountainous regions of Southeastern United States. The twenty-fourth treaty (1866) left them on a tiny reservation, two thousand miles from their former home. Those twenty-four treaties had netted the State and Federal governments 81,220,374 acres of land (p. 378). To-day the Cherokee Nation has 63,211 acres.⁶

⁶ "Referring to your inquiry of November 20, 1919, concerning the Cherokee Indian Reservation, you are advised that the Cherokee Indian country in the northeastern part of Oklahoma aggregated 4,420,068 acres.

"Of said area 4,346,223 acres have been allotted in severalty to the enrolled members of said Cherokee Indian Nation, Oklahoma.

A great nation of proud, independent, liberty-loving men and women, came into conflict with the whites of the Carolinas and Georgia; with the state and national governments. "For two hundred years a contest involving their very existence as a people has been maintained against the unscrupulous rapacity of Anglo-Saxon civilization. By degrees they were driven from their ancestral domain to an unknown and inhabitable region" (p. 371). Now the contest is ended. The white men have the land. The Cherokees have a little patch of territory; government support; free schools and the right to accept the sovereignty of the nation that has conquered them.

The theory upon which the whites proceeded in taking the Indian lands is thus stated by Leupp,—“Originally, the Indians owned all the land; later we needed most of it for ourselves; therefore, it is but just that the Indians should have what is left.”⁷

4. *The Triumph of the Whites*

The early white settlers had been, in almost every instance, hospitably or even reverentially welcomed by the Indians, who regarded them as children of the Great White Spirit. During the first bitter winters, it was the Indians who fed the colonists from their supplies of grain; guided them to the better lands, and shared with them their

Twenty-two thousand eight hundred and eighty acres were disposed of as town lots, or reserved for railway rights of way, churches, schools, cemeteries, etc., and the remaining area has been sold, or otherwise disposed of as provided by law.

“The Cherokee tribal land in Oklahoma with the exception of the possible title of said Nation to certain river beds has been disposed of.

“In reference to the Eastern band of Cherokees, you are advised that said Indians who have been incorporated hold title in fee to certain land in North Carolina, known as the Qualla Reservation and certain other lands, aggregating 63,211 acres.”—Letter from the Office of Indian Affairs. Dec. 9, 1919, “In re Cherokee land.”

⁷ “The Indian and His Problem,” F. E. Leupp. New York, Scribners, 1910, p. 24.

knowledge of hunting, fishing and agriculture. The whites retaliated with that cunning, grasping, bestial ferocity which has spread terror through the earth during the past five centuries.

In the early years, when the whites were few and the Indians many, the whites satisfied themselves by debauching the red men with whiskey and bribing them with baubles and trinkets. At the same time they made offensive and defensive alliances with them. The Spanish in the South; the French in the North and the English between, leagued themselves with the various tribes, supplied them with gunpowder and turned them into mercenaries who fought for hire. Heretofore the Indian had been a free man, fighting his wars and feuds as free men have done time out of mind. The whites hired him as a professional soldier and by putting bounties on scalps, plying the Indians with whiskey and inciting them by every known device, they converted them into demons.

There is no evidence to show that up to the advent of the white men the Indian tribes did any more fighting among themselves than the nobles of Germany, the city states of Italy or the other inhabitants of western Europe. Indeed there has recently been published a complete translation of the "Constitution of the Five Nations," a league to enforce peace which the Indians organized about the year 1390, A. D.⁸ This league which had as its object the establishment of the "Great Peace" was built upon very much the same argument as that advanced for the League of Nations of 1919.

When the whites first came to North America, the Indians were a formidable foe. For years they continued to be a menace to the lonely settler or the frontier village. But when the white settlers were once firmly established, the days of uncertainty were over, and the Indians were brushed aside as a man brushes aside a troublesome insect. Their "uprisings" and "wars" counted for little or nothing. They were inferior in numbers; they were

⁸ See Bulletin 184, New York State Museum, Albany, 1916, p. 61.

poorly armed and equipped; they had no reserves upon which to draw; there was no organization among the tribes in distant portions of the country. The white millions swept onward. The Indian bands made a stand here and there but the tide of white civilization overwhelmed them, smothered them, destroying them and their civilization together.

The Indians were the first obstacle to the building of the American Empire. Three hundred years ago the whole three million square miles that is now the United States was theirs. They were the American people. To-day they number 328,111 in a population of 105,118,467 and the total area of their reservations is 53,489 square miles. (Statistical Abstract of the U. S., 1918, pp. 8 and 776.)

IV. SLAVERY FOR A RACE

1. *The Labor Shortage*

THE American colonists took the land which they required for settlement from the Indians. The labor necessary to work this land was not so easily secured. The colonists had set themselves the task of establishing European civilization upon a virgin continent. In order to achieve this result, they had to cut the forests; clear the land; build houses; cultivate the soil; construct ships; smelt iron, and carry on a multitude of activities that were incidental to setting up an old way of life in a new world. The one supreme and immediate need was the need for labor power. From the earliest days of colonization there had been no lack of harbors, fertile soil, timber, minerals and other resources. From the earliest days the colonists experienced a labor shortage.

The labor situation was trebly difficult. First, there was no native labor; second, passage from Europe was so long and so hazardous that only the bold and venturesome were willing to attempt it, and third, when these adventurers did reach the new world, they had a choice between taking up free land and working it for themselves and taking service with a master. Men possessing sufficient initiative to leave an old home and make a journey across the sea were not the men to submit themselves to unnecessary authority when they might, at will, become masters of their own fortunes. The appeal of a new life was its own argument, and the newcomers struck out for themselves.

Throughout the colonies, and particularly in the South where the plantation culture of rice and tobacco, and later of cotton, called for large numbers of unskilled workers, the labor problem was acute. The abundance of raw materials and fertile land; the speedy growth of industry in

the North and of agriculture in the South; the generous profits and expanding markets created a labor demand which far outstripped the meager supply,—a demand that was met by the importation of black slaves from Africa.

2. *The Slave Coast*

The "Slave Coast" from which most of the Negroes came was discovered by Portuguese navigators, who were the first Europeans to venture down the West coast of Africa, and, rounding the "lobe" of the continent, to sail East along the "Gold Coast." The trade in gold and ivory which sprang up as a result of these early explorations led other nations of Europe to begin an eager competition which eventually brought French, Dutch, German, Danish and English commercial interests into sharp conflict with the Portuguese.

Ships sailing from the Gold Coast for home ports made a practice of picking up such slaves as they could easily secure. By 1450 the number reaching Portugal each year was placed at 600 or 700.¹ From this small and quite incidental beginning there developed a trade which eventually supplied Europe, the West Indies, North America and South America with black slaves.

Along the "Slave Coast," which extended from Cape Verde on the North to Cape St. Martha on the South, and in the hinterland there lived Negroes of varying temperaments and of varying standards of culture. Some of them were fierce and warlike. Others were docile and amenable to discipline. The former made indifferent slaves; the latter were eagerly sought after. "The Wyndahs, Nagoes and Pawpaws of the Slave Coast were generally the most highly esteemed of all. They were lusty and industrious, cheerful and submissive."²

¹ History of the Gold Coast," W. W. Claridge. London, Murray, 1915, vol. I, p. 39.

² "American Negro Slavery," U. B. Phillips. New York, Appleton, 1908, p. 43.

The natives of the Slave Coast had made some notable cultural advances. They smelted metals; made pottery; wove; manufactured swords and spears of merit; built houses of stone and of mud, and made ornaments of some artistic value. They had developed trade with the interior, taking salt from the coast and bartering it for gold, ivory and other commodities at regular "market places."

The native civilization along the West coast of Africa was far from ideal, but it was a civilization which had established itself and which had made progress during historic times. It was a civilization that had evolved language; arts and crafts; tribal unity; village life. and communal organization. This native African civilization, in the seventeenth, eighteenth and early nineteenth centuries was confronted by an insatiable demand for black slaves. The conflicts that resulted from the efforts to supply that demand revolutionized and virtually destroyed all that was worthy of preservation in the native culture.

When the whites first went to the Slave Coast there was comparatively little slavery among the natives. Some captives, taken in war; some debtors, unable to meet their obligations, and some violators of religious rites, were held by the chief or the headman of the tribe. On occasion he would sell these slaves, but the slave trade was never established as a business until the white man organized it.

The whites came, and with guile and by force they persuaded and compelled the natives to permit the erection of forts and of trading posts. From the time of the first Portuguese settlement, in 1482, the whites began their work with rum and finished it with gun-powder. Rum destroyed the stamina of the native; gun-powder rendered his intertribal wars more destructive. These two agencies of European civilization combined, the one to degenerate, the other to destroy the native tribal life.

The traders, adventurers, buccaneers and pirates that gathered along the Slave Coast were not able to teach the natives anything in the way of cruelty, but they could and

did give them lessons in cunning, trickery and double dealing. Early in the history of the Gold Coast the whites began using the natives to make war on commercial rivals. In one famous instance, "the Dutch had instigated the King of Fetu to refuse the Assins permission to pass through his territory. These people used to bring a great deal of gold to Cape Coast Castle (English), and the Dutch hoped in this way to divert the trade to their own settlements. The King having complied and plundered some of the traders on the way down, the Assins declared war against him and were assisted by the English with arms and ammunition. The King of Sabol was also paid to help them, and the allied army (20,000 strong) inflicted a crushing defeat on the Fetus."³

On another occasion, the Dutch were worsted in a war with some of the native tribes. Realizing that if they were to maintain themselves on the Coast they must raise an army as quickly as possible, they approached the Fetus and bargained with them to take the field and fight the Komendas until they had utterly exterminated them, on payment of \$4,500. But no sooner had this arrangement been made than the English paid the Fetus an additional \$4,500 to remain neutral!⁴

Before 1750, when the competition for the slaves was less keen, and the supply came nearer to meeting the demand, the slavers were probably as honest in this as they were in any other trade with the natives. The whites encouraged and incited the native tribes to make war upon one another for the benefit of the whites. The whites fostered kidnaping, slavery and the slave trade. The natives were urged to betray one another, and the whites took advantage of their treachery. During the four hundred years that the African slave trade was continued, it was the whites who encouraged it; fostered it; and backed it financially. The slave trade was a white man's trade, car-

³ "A History of the Gold Coast," W. W. Claridge. London, Murray, 1915, vol. I, p. 144.

⁴ Ibid., p. 150.

ried on under conditions as far removed from the conditions of ordinary African life as the manufacturing and trading of Europe were removed from the manufacturing and trading of the Africans.

3. *The Slave Trade*

With the pressing demand from the Americas for a generous supply of black slaves, the business of securing them became one of the chief commercial activities of the time. "The trade bulked so large in the world's commerce in the seventeenth and eighteenth centuries that every important maritime community on the Atlantic sought a share, generally with the sanction and often with the active assistance of its respective sovereign."⁵

The catching, holding and shipping of Negroes on the African coast was the means by which the demand for slaves was met. With a few minor exceptions, the whites did not engage directly in slave catching. In most instances they bought their slaves from native brokers who lived in the coast towns. The brokers, in turn, received their slaves from the interior, where they were captured during wars, by professional raiding parties, well supplied with arms and ammunition. Slave-catching, begun as a kidnaping of individuals, developed into a large-scale traffic that provided the revenue of the more war-like natives. Villages were attacked and burned, and whole tribes were destroyed or driven off to the slave-pens on the coast. After 1750, for nearly a hundred years, the demand for slaves was so great and the profits were so large that no pains were spared to secure them.

The Slave Coast native was compelled to choose between being a slave-catcher or a slave. As a slave-catcher he spread terror and destruction among his fellows, seized them and sold them to white men. As a slave he made the long journey across the Atlantic.

⁵ "American Negro Slavery," U. B. Phillips. New York, Appleton, 1918, p. 20.

The number of slaves carried away from Africa is variously estimated. Claridge states that "the Guinea Coast as a whole supplied as many as from 70,000 to 100,000 yearly" in 1700.⁶ Bogart estimates the number of slaves secured as 2,500 per year in 1700; 15,000 to 20,000 per year from 1713 to 1753; in 1771, 47,000 carried by British ships alone; and in 1768 the slaves shipped from the African coast numbered 97,000.⁷ Add to these numbers those who were killed in the raids; those who died in the camps, where the mortality was very high, and those who committed suicide. The total represents the disturbing influence that the slave trade introduced into the native African civilization.

In the early years of the trade the ships were small and carried only a few hundred Negroes at most. As the trade grew, larger and faster ships were built with galleries between the decks. On these galleries the blacks were forced to lie with their feet outboard—ironed together, two and two, with the chains fastened to staples in the deck. "They were squeezed so tightly together that the average space allowed to each one was but 16 inches by five and a half feet."⁸ The galleries were frequently made of rough lumber, not tightly joined. Later, when the trade was outlawed, the slaves were stowed away out of sight on loose shelves over the cargo. "Where the 'tween decks space was two feet high or more, the slaves were stowed sitting up in rows, one crowded into the lap of another, and with legs on legs, like rider on a crowded toboggan." (Spears, p. 71.) There they stayed for the weeks or the months of the voyage. "In storms the sailors had to put on the hatches and seal tight the openings into the infernal cesspool." (Spears, p. 71.) The odor of a slaver was often unmistakable at a distance of five miles down wind.

⁶ "History of the Gold Coast," W. W. Claridge. London, Murray, 1915, vol. I, p. 172.

⁷ "Economic History of the U. S.," E. L. Bogart. New York, Longmans, 1910 ed., p. 84-5.

⁸ "The American Slave Trade," J. R. Spears. New York, Scribners, 1901, p. 69.

The terrible revolt of the slaves in the West Indies, beginning in 1781, gave the growing anti-slavery sentiment an immense impetus. It also gave the slave owners pause. The cotton-gin had not yet been invented. Slavery was on a shifty economic basis in the South. Great Britain passed the first law to limit the slave trade in 1788; the United States outlawed the trade in 1794. In 1824 Great Britain declared the slave trade piracy. During these years, and during the years that followed, until the last slaver left New York Harbor in 1863, the trade continued under the American flag, in swift, specially constructed American-built ships.

As the restrictions upon the trade became more severe in the face of an increasing demand for slaves, "the fitting out of slavers developed into a flourishing business in the United States, and centered in New York City." The *New York Journal of Commerce* notes in 1857 that "down-town merchants of wealth and respectability are extensively engaged in buying and selling African Negroes, and have been, with comparatively little interruption for an indefinite number of years." A writer in the *Continental Monthly* for January, 1862, says:—"The city of New York has been until of late the principal port of the world for this infamous commerce; although the cities of Boston and Portland are only second to her in distinction." During the years 1859-1860 eighty-five slavers are reported to have fitted out in New York Harbor and these ships alone had a capacity to transport from 30,000 to 60,000 slaves a year.⁹

The merchants of the North pursued the slave trade so relentlessly because it paid such enormous profits on the capital outlay. Some of the voyages went wrong, but the trade, on the whole, netted immense returns. At the end of the eighteenth century a good ship, fitted to carry from 300 to 400 slaves, could be built for about \$35,000. Such a ship would make a clear profit of from \$30,000 to \$100,000 in a single voyage. Some of them made as many as five

⁹ "The Suppression of the American Slave Trade," W. E. B. DuBois. New York, Longmans, 1896, p. 178-9.

voyages before they became so foul that they had to be abandoned.¹⁰ While some voyages were less profitable than others, there was no avenue of international trade that offered more alluring possibilities.

Sanctioned by potentates, blessed by the church, and surrounded with the garments of respectability, the slave trade grew, until, in the words of Samuel Hopkins (1787), "The trade in human species has been the first wheel of commerce in Newport, on which every other movement in business has depended. . . . By it the inhabitants have gotten most of their wealth and riches." (Spears, p. 20.) After the vigorous measures taken by the British Government for its suppression, the slave trade was carried on chiefly in American-built ships; officered by American citizens; backed by American capital, and under the American flag.

The slave trade was the business of the North as slavery was the business of the South. Both flourished until the Proclamation of Emancipation in 1863.

4. *Slavery in the United States*

Slavery and the slave trade date from the earliest colonial times. The first slaves in the English colonies were brought to Jamestown in 1619 by a Dutch ship. The first American-built slave ship was the *Desire*, launched at Marblehead in 1636. There were Negro slaves in New York as early as 1626, although there were only a few hundred slaves in the colonies prior to 1650.

Since slave labor is economical only where the slaves can be worked together in gangs, there was never much slavery among the farmers and small business men of the North. On the other hand, in the South, the developing plantation system made it possible for the owner to use large gangs of slaves in the clearing of new land; in the raising of

¹⁰ "The American Slave Trade," J. R. Spears. New York, Scribners, 1901, p. 84-5.

tobacco, and in caring for rice and cotton. The plantation system of agriculture and the cotton gin made slavery the success that it was in the United States. "The characteristic American slave, indeed, was not only a Negro, but a plantation workman."¹¹

The opening years of the nineteenth century found slavery intrenched over the whole territory of the United States that lay South of the Mason and Dixon line. In that territory slave trading and slave owning were just as much a matter of course as horse trading and horse owning were a matter of course in the North. "Every public auctioneer handled slaves along with other property, and in each city there were brokers, buying them to sell again, and handling them on commission."¹²

The position of the broker is indicated in the following typical bill of sale which was published in Charleston, S. C., in 1795. "Gold Coast Negroes. On Thursday, the 17th of March instant, will be exposed to public sale near the exchange . . . the remainder of the cargo of negroes imported in the ship *Success*, Captain John Conner, consisting chiefly of likely young boys and girls in good health, and having been here through the winter may be considered in some degree seasoned to the climate."¹³

Such a bill of sale attracted no more attention at that time than a similar bill advertising cattle attracts to-day.

During the early colonial days, the slaves were better fed and provided for than were the indentured servants. They were of greater money value and, particularly in the later years when slavery became the mainstay of Southern agriculture, a first class Negro, acclimated, healthy, willing and trustworthy, was no mean asset.

Toward the end of the eighteenth century slavery began to show itself unprofitable in the South. The best and most

¹¹ "American Negro Slavery," U. B. Phillips. New York, Appleton, 1918, p. VII.

¹² Ibid., p. 190.

¹³ Ibid., p. 40.

accessible land was exhausted. Except for the rice plantations of South Carolina and Georgia, slavery was not paying. The Southern delegates to the Constitutional Convention, with the exception of the delegates from these states, were prepared to abolish the slave trade. Some of them were ready to free their own slaves. Then came the invention of the cotton gin and the rise of the cotton kingdom. The amount of raw cotton consumed by England was 13,000 bales in 1781; 572,000 bales in 1820; and 3,366,000 bales in 1860. During that period, the South was almost the sole source of supply.

The attitude of the South, confronted by this wave of slave prosperity, underwent a complete change. Her statesmen had consented, between 1808 and 1820, to severe restrictive laws directed towards the slave trade. After cotton became king, slaves rose rapidly in price; land, once used and discarded, was again brought under cultivation; cotton-planting spread rapidly into the South and Southwest; Texas was annexed; the Mexican War was fought; an agitation was begun for the annexation of Cuba, and Calhoun (1836) declared that he "ever should regret that this term (piracy) had been applied" to the slave trade in our laws.¹⁴

The change of sentiment corresponded with the changing value of the slaves. Phillips publishes a detailed table of slave values in which he estimates that an unskilled, able-bodied young slave man was worth \$300 in 1795; \$500 to \$700 in 1810; \$700 to \$1200 to 1840; and \$1100 to \$1800 in 1860.¹⁵ The factors which resulted in the increased slave prices were the increased demand for cotton, the increased demand for slaves, and the decrease in the importation of negroes due to the greater severity of the prohibitions on the slave trade.

¹⁴ Benton, "Abridgment of Debates." XII, p. 718.

¹⁵ "American Negro Slavery," U. B. Phillips. New York, Appleton, 1918, p. 370.

5. *Slavery for a Race*

The American colonists needed labor to develop the wilderness. White labor was scarce and high, so the colonists turned to slave labor performed by imported blacks. The merchants of the North built the ships and carried on the slave trade at an immense profit. The plantation owners of the South exploited the Negroes after they reached the states.

The continuance of the slave trade and the provision of a satisfactory supply of slaves for the Southern market depended upon slave-catching in Africa, which, in turn, involved the destruction of an entire civilization. This work of destruction was carried forward by the leading commercial nations of the world. During nearly 250 years the English speaking inhabitants of America took an active part in the business of enslaving, transporting and selling black men. These Americans—citizens of the United States—bought stolen Negroes on the African coast; carried them against their will across the ocean; sold them into slavery, and then, on the plantations, made use of their enforced labor.

Both slavery and the slave trade were based on a purely economic motive—the desire for profit. In order to satisfy that desire, the American people helped to depopulate villages,—to devastate, burn, murder and enslave; to wipe out a civilization, and to bring the unwilling objects of their gain-lust thousands of miles across an impassable barrier to alien shores.

V. THE WINNING OF THE WEST

1. *Westward, Ho!*

THE English colonists in America occupied only the narrow strip of country between the Alleghanies and the Atlantic Ocean. The interior was inhabited by the Indians, and claimed by the French, the Spanish and the British, but neither possession nor legal title carried weight with the stream of pioneers that was making a path into the "wilderness," crying its slogan,—*"Westward, Ho!"* as it moved toward the setting sun. The first objective of the pioneers was the Ohio Valley; the second was the valley of the Mississippi; the third was the Great Plains; the fourth was the Pacific slope, with its golden sands. Each one of these objectives developed itself out of the previous conquest.

The settlers who made their way across the mountains into the valley of the Ohio, found themselves in a land of plenty. The game was abundant; the soil was excellent, and soon they were in a position to offer their surplus products for sale. These products could not be successfully transported across the mountains, but they could be floated down the Ohio and the Mississippi—a natural roadway to the sea. But beside the Indians, who claimed all of the land for their own, there were the Spaniards at New Orleans, doing everything in their power to prevent the American Colonists from building up a successful river commerce.

The frontiersmen were able to push back the Indians. The Spanish garrisons presented a more serious obstacle. New Orleans was a well fortified post that could be provisioned from the sea. Behind it, therefore, lay the whole power of the Spanish fleet. The right of navigation was finally obtained in the Treaty of 1795. Still friction con-

tinued with the Spanish authorities and serious trouble was averted only by the transfer of Louisiana, first to the French (1800) and then by them to the United States (1803). Napoleon had agreed, when he secured this territory from the Spaniards, not to turn it over to the United States. A pressing need of funds, however, led him to strike an easy bargain with the American government which was negotiating for the control of the mouth of the Mississippi. Napoleon insisted that the United States take, not only the mouth of the river, but also the territory to the West which he saw would be useless without this outlet. After some hesitation, Jefferson and his advisers accepted the offer and the Louisiana Purchase was consummated.

The Louisiana Purchase gave the young American nation what it needed—a place in the sun. The colonists had taken land for their early requirements from the Indians who inhabited the coastal plain. They had enslaved the Negroes and thus had secured an ample supply of cheap labor. Now, the pressure of population, and the restless, pioneer spirit of those early days, led out into the West.

Until 1830 immigration was not a large factor in the increase of the colonial population, but the birth-rate was prodigious. In the closing years of the eighteenth century, Franklin estimated that the average family had eight children. There were sections of the country where the population doubled, by natural increase, once in 23 years. Indeed, the entire population of the United States was increasing at a phenomenal rate. The census of 1800 showed 5,308,483 persons in the country. Twenty years later the population was 9,638,453—an increase of 81 per cent. By 1840 the population was reported as 17,069,453—an increase of 77 per cent over 1820, and of 221 per cent over 1800.

The small farmers and tradesmen of the North were settling up the Northwest Territory. The plantation owners of the South, operating on a large scale, and with the wasteful methods that inevitably accompany slavery, were clamoring for new land to replace the tracts that had been

exhausted by constant recropping with no attempt at fertilization.

Cotton had been enthroned in the South since the invention of the cotton gin in 1792. With the resumption of European trade relations in 1815 the demand for cotton and for cotton lands increased enormously. There was one, and only one logical way to meet this demand—through the possession of the Southwest.

2. The Southwest

The pioneers had already broken into the Southwest in large numbers. While Spain still held the Mississippi, there were eager groups of settlers pressing against the frontier which the Spanish guarded so jealously against all comers. The Louisiana Purchase met the momentary demand, but beyond the Louisiana Purchase, and between the settlers and the rich lands of Texas lay the Mexican boundary. The tide of migration into this new field hurled itself against the Mexican border in the same way that an earlier generation had roled against the frontier of Louisiana.

The attitude of these early settlers is described with sympathetic accuracy by Theodore Roosevelt. "Louisiana was added to the United States because the hardy backwoods settlers had swarmed into the valleys of the Tennessee, the Cumberland and the Ohio by hundreds of thousands. . . . Restless, adventurous, hardy, they looked eagerly across the Mississippi to the fertile solitudes where the Spaniard was the nominal, and the Indian the real master; and with a more immediate longing they fiercely coveted the Creole provinces at the mouth of the river."¹ This fierce coveting could have only one possible outcome—the colonists got what they wanted.

¹ "The Winning of the West," Theodore Roosevelt. New York, Putnam's, 1896, vol. 4, p. 262.

The speed with which the Southwest rushed into prominence as a factor in national affairs is indicated by its contribution to the cotton-crop. In 1811 the states and territories from Alabama and Tennessee westward produced one-sixteenth of the cotton grown in the United States. In 1820 they produced a third; in 1830, a half; and by 1860, three-quarters of the cotton raised. At the same time, the population of the Alabama-Mississippi territory was:—

200,000 in 1810.
445,000 in 1820.
965,000 in 1830.
1,377,000 in 1840.

Thus thirty years saw an increase of nearly seven-fold in the population of this region.²

Meanwhile, slavery had become the issue of the day. The slave power was in control of the Federal Government, and in order to maintain its authority, it needed new slave states to offset the free states that were being carved out of the Northwest.

Here were three forces—first the desire of the frontiersmen for “elbow room”; second the demand of King Cotton for unused land from which the extravagant plantation system might draw virgin fertility and third, the necessity that was pressing the South to add territory in order to hold its power. All three forces impelled towards the Southwest, and it was thither that population pressed in the years following 1820.

3. *Texas*

Mexico lay to the Southwest, and therefore Mexico became the object of American territorial ambitions. The district now known as Texas had constituted a part of the Louisiana Purchase (1803); had been ceded to Spain (1819); had been made the object of negotiations looking towards its

² “American Negro Slavery,” U. B. Phillips. New York, Appleton, 1918, pp. 171-2.

purchase in 1826; had revolted against Mexico and been recognized as an independent state in 1835.

Texas had been settled by Americans who had secured the permission of the Mexican Government to colonize. These settlers made no effort to conceal their opposition to the Mexican Government, with which they were entirely out of sympathy. Many of them were seeking territory in which slavery might be perpetuated, and they introduced slaves into Texas in direct violation of the Mexican Constitution. The Americans did not go to Texas with any idea of becoming Mexican subjects; on the contrary, as soon as they felt themselves strong enough, they declared their independence of Mexico, and began negotiations for the annexation of Texas to the United States.

The Texan struggle for independence from Mexico was cordially welcomed in all parts of the United States, but particularly in the South. Despite the protests of Mexico, public meetings were held; funds were raised; volunteers were enlisted and equipped, and supplies and munitions were sent for the assistance of the Texans in ships openly fitted out in New Orleans.

No sooner had the Texans established a government than the campaign for annexation was begun. The advocates of annexation—principally Southerners—argued in favor of adding so rich and so logical a prize to the territory of the United States, citing the purchase of Louisiana and of Florida as precedents. Their opponents, first on constitutional grounds and then on grounds of public policy, argued against annexation.

Opinion in the South was greatly aroused. Despite the fact that many of her foremost statesmen were against annexation, some of the Southern newspapers even went so far as to threaten the dissolution of the Union if the treaty of ratification failed to pass the Senate.

The campaign of 1844 was fought on the issue of annexation and the election of James K. Polk was a pledge that Texas should be annexed to the United States. During

the campaign, the line of division on annexation had been a party line—Democrats favoring; Whigs opposing. Between the election and the passage of the joint resolution by which annexation was consummated, it became a sectional issue,—Southern Whigs favoring annexation and Northern Democrats opposing it.

So strong was the protest against annexation, that the treaty could not command the necessary two-thirds vote in the Senate. The matter was disposed of by the passage of a joint resolution (March 1, 1845) which required only a majority vote in both houses of Congress. President Polk therefore took office with the mandate of the country and the decision of both houses of the retiring Congress, in favor of annexation.

Mexico, in the meantime, had offered to recognize the independence of Texas and to make peace with her if the Texas Congress would reject the joint resolution, and refuse the proffered annexation. This the Texas Congress refused, and with the passage, by that body, of an act providing for annexation, the Mexican minister was withdrawn from Washington, and Mexico began her preparations for war.

President Polk had taken office with the avowed intention of buying California from Mexico. The rupture threatened to prevent him from carrying this plan into effect. He therefore sent an unofficial representative to Mexico in an effort to restore friendly relations. Failing in that, he and his advisers determined upon war as the only feasible method of obtaining California and of settling the diplomatic tangle involved in the annexation of Texas.

4. The Conquest of Mexico

The Polk Administration made the Mexican War as a part of its expansionist policy.

“Although that unfortunate country (Mexico) had officially notified the United States that the annexation of

Texas would be treated as a cause of war, so constant were the internal quarrels in Mexico that open hostilities would have been avoided had the conduct of the Administration been more honorable. That was the opinion of Webster, Clay, Calhoun, Benton, and Tyler. . . . Mexico was actually goaded on to war. The principle of the manifest destiny of this country was invoked as a reason for the attempt to add to our territory at the expense of Mexico.”³

After the annexation of Texas it became the duty of the United States to defend that state against the threatened Mexican invasion.

Mexican troops had occupied the southern bank of the Rio Grande. General Zachary Taylor with a small force, moved to a position on the Nueces River. Between the two rivers lay a strip of territory the possession of which was one of the sources of dispute between Mexico and Texas. What followed may be stated in the words of one of the officers who participated in the expedition: “The presence of the United States troops on the edge of the territory farthest from the Mexican settlements was not sufficient to provoke hostilities. We were sent to provoke a fight, but it was essential that Mexico begin it” (p. 41). “Mexico showing no willingness to come to the Nueces to drive the invaders from her soil, it became necessary for the ‘invaders’ to approach to within a convenient distance to be struck. Accordingly, preparations were begun for moving the army to the Rio Grande, to a point near Matamoras. It was desirable to occupy a position near the largest center of population possible to reach without actually invading territory to which we set up no claim whatever” (p. 45).⁴

The occupation, by the United States troops, of the disputed territory soon led to a clash in which several United States soldiers were killed. The incident was taken by the President as a sufficient cause for the declaration of a

³ “History of the United States,” James F. Rhoades. New York, Macmillan, 1906, vol. I, p. 87.

⁴ “Personal Memoirs,” U. S. Grant. New York, Century, 1895, vol. I.

state of war. The House complied readily with his wishes, passing the necessary resolution. Several members of the Senate begged for a delay during which the actual state of affairs might be ascertained. The President insisted, however, and the war was declared (May 13, 1846).

The declaration of war was welcomed with wild enthusiasm in the South. Meetings were called; funds were raised; volunteers were enlisted, equipped and despatched in all haste to the scene of the conflict.

The North was less eager. There were protests, petitions, demonstrations. Many of the leaders of northern opinion took a public stand against the war. But the news of the first victories sent the country mad with an enthusiasm in which the North joined the South.

The United States troops, during the Mexican War, won brilliant—almost unbelievable successes—against superior forces and in the face of immense natural obstacles. Had the war been less of a military triumph there must have been a far more widely-heard protest from Polk's enemies in the North. Successful beyond the wildest dreams of its promoters, the victorious war carried its own answer to those who questioned the worthiness of the cause. Within two years, the whole of Mexico was under the military control of the United States, and that country was in a position to dictate its own terms.

The demands of the United States were mild to the extent of generosity. Under the treaty the annexation of Texas was validated; New Mexico and Upper California were ceded to the United States; the lower Rio Grande was fixed as the southern boundary of Texas, and in considerations of these additions to its territory, the United States agreed to pay Mexico fifteen millions of dollars.

Under this plan, Mexico was paid for territory that she did not need and could not use, while the United States gave a money consideration for the title to land that was already hers by right of conquest, and of which she was in actual possession.

The details of the treaty are relatively unimportant. The outstanding fact is that Mexico was in possession of certain territory that the ruling power in the United States wanted, and that ruling power took what it wanted by force of arms. "The war was one of conquest in the interest of an institution." It was "one of the most unjust ever waged by a stronger against a weaker nation."⁵

Congressman A. P. Gardner of Massachusetts summarized the matter very pithily in his debate with Morris Hillquit (New York, April 2, 1915), "We assisted Texas to get away from Mexico and then we proceeded to annex Texas. Plainly and bluntly stated, our purpose was to get some territory for American development." (Stenographic report in the *New York Call*, April 11, 1915.)

4. *Conquering the Conquered*

The work of conquering the Southwest was not completed by the termination of the war. Mexico ceded the territory—in the neighborhood of a million square miles—but she was giving away something that she had never possessed. Mexico claimed title to land that was occupied by the Indians. She had never conquered it; never settled it; never developed it. Her sovereignty was of the same shadowy sort that Spain had exercised over the country before the Mexican revolution.

The new owners of the Southwest had a very different purpose in mind. No empty title would satisfy them. They intended to use the land. The Indians—already in possession—resented the encroachments of the invaders, but they fared no better than the Mexicans, or than their red-skinned brothers who had contended for the right to fish and hunt along their home streams in the Appalachians. The Indians of the Southwest fought stubbornly, but the wars that meant life and death to them were the merest

⁵ "Personal Memoirs," U. S. Grant. New York, Century, 1895, vol. I, pp. 115 and 32.

pastime for an army that had just completed the humiliation of a nation of the size and strength of Mexico. The Indians were swept aside, and the country was opened to the trapper, the prospector, the trader and the settler.

The Mexican War was a slight affair, involving a relatively small outlay in men and money. The total number of American soldiers killed in the war was 1,721; the wounded were 4,102; the deaths from accident and disease were 11,516, making total casualties of 5,823 and total losses of 15,618.⁶

The money cost of the Mexican War—the army and navy appropriations for the years 1846 to 1849 inclusive—was \$119,624,000. Obviously the net cost of the war was less than this gross total,—how much less it is impossible to say.

No satisfactory figures are available to show the cost in men and money of the Indian Wars in the Southwest. "From 1849 to 1865, the government expended \$30,000,000 in the subjugation of the Indians in the territories of New Mexico and Arizona."⁷ Their character may be gauged by noting from the "Historical Register" (Vol. 2, p. 281-2) the losses sustained in the four Indian Wars of which a record is preserved. In the Northwest Indian Wars (1790 to 1795) 896 persons were killed and 436 were wounded; in the Seminole War (1817 to 1818) 46 were killed and 36 were wounded; in the Black Hawk War (1831-2) the killed were 26 and the wounded 39; in the Seminole War (1835-1842) 383 were killed and 557 wounded. These were among the most serious of the Indian Wars and in all of them the cost in life and limb was small. Judged on this standard, the losses in the Southwest, during the Indian Wars, were, at most, trifling. The total outlay that was involved in the conquest of the vast domain would not have covered one first class battle of the Great War, and yet this outlay added

⁶ "Historical Register of the United States Army," F. B. Heitman. Washington, Govt. Print., vol. 2, p. 282.

⁷ "The Story of New Mexico," Horatio O. Ladd. Boston, D. Lothrop Co., 1891, p. 333.

to the territory of the United States something like a million square miles containing some of the richest and most productive portions of the earth's surface.

This domain was won by a process of military conquest; it was taken from the Mexicans and the Indians by force of arms. In order to acquire it, it was necessary to drive whole tribes from their villages; to burn; to maim; to kill. "St. Louis, New Orleans, St. Augustine, San Antonio, Santa Fe and San Francisco are cities that were built by Frenchmen and Spaniards; we did not found them but we conquered them." "The Southwest was conquered only after years of hard fighting with the original owners" (p. 26). "The winning of the West and the Southwest is a stage in the conquest of a continent" (p. 27). "This great westward movement of armed settlers was essentially one of conquest, no less than of colonization" (p. 370).⁸ None of the possessors of this territory were properly armed or equipped for effective warfare. All of them fell an easy prey to the organized might of the Government of the United States.

⁸ "The Winning of the West," Theodore Roosevelt. Vol. I, p. 26, 27, and Vol. II, p. 370.

VI. THE BEGINNINGS OF WORLD DOMINION

1. *The Shifting of Control*

DURING the half century that intervened between the War of 1812 and the Civil War of 1861 the policy of the United States government was decided largely by men who came from south of the Mason and Dixon line. The Southern whites,—class-conscious rulers with an institution (slavery) to defend,—acted like any other ruling class under similar circumstances. They favored Southward expansion which meant more territory in which slavery might be established.

The Southerners were looking for a place in the sun where slavery, as an institution, might flourish for the profit and power of the slave-holding class. Their most effective move in this direction was the annexation of Texas and the acquisition of territory following the Mexican War. An insistent drive for the annexation of Cuba was cut short by the Civil War.

Southern sentiment had supported the Louisiana Purchase of 1803 and the Florida Purchase of 1819. From Jefferson's time Southern statesmen had been advocating the purchase of Cuba. Filibustering expeditions were fitted out in Southern ports with Cuba as an objective; agitation was carried on, inside and outside of Congress; between 1850 and 1861 the acquisition of Cuba was the question of the day. It was an issue in the Campaign of 1853. In 1854 the American ministers to London, France and Madrid met at the direction of the State Department and drew up a document (the "Ostend Manifesto") dealing with the future of Cuba. McMaster summarizes the Manifesto in these words: "The United States ought to buy Cuba because of its nearness to our coast; because it belonged naturally to that great group of states of which

the Union was the providential nursery; because it commanded the mouth of the Mississippi whose immense and annually growing trade must seek that way to the ocean, and because the Union could never enjoy repose, could never be secure, till Cuba was within its boundaries." (Vol. viii, pp. 185-6.) If Spain refused to sell Cuba it was suggested that the United States should take it.

The Ostend Manifesto was rejected by the State Department, but it was a good picture of the imperialistic sentiment at that time abroad among certain elements in the United States.

The Cuban issue featured in the Lincoln-Douglas Debates in 1858. It was hotly discussed by Congress in 1859. Only twenty years had passed since the United States, by force of arms, had taken from Mexico territory that she coveted. Now it was proposed to appropriate territory belonging to Spain.

The outbreak of hostilities deferred the project, and when the Civil War was over, the slave power was shattered. From that time forward national policy was guided by the leaders of the new industrial North.

The process of this change was fearfully wasteful. The shifting of power from the old régime to the new cost more lives and a greater expenditure of wealth than all of the wars of conquest that had been fought during the preceding half century.

The change was complete. The slaves were liberated by Presidential Proclamation. The Southern form of civilization—patriarchal and feudal—disappeared, and upon its ruins—rapidly in the West; slowly in the South—there arose the new structure of an industrial civilization.

The new civilization had no need to look outward for economic advantage. Forest tracts, mineral deposits and fertile land afforded ample opportunity at home. It was three thousand miles to the Pacific and at the end of the journey there was gold! The new civilization therefore turned its energies to the problem of subduing the con-

continent and of establishing the machinery necessary to provide for its vastly increasing needs. A small part of the capital required for this purpose came from abroad. Most of it was supplied at home. But the events involved in opening up the territory west of the Rockies, of spanning the country with steel, and providing outlets for the products of the developing industries were so momentous that even the most ambitious might fulfill his dreams of conquest without setting foot on foreign soil. Territorial aggrandizement was forgotten, and men turned with a will to the organization of the East and the exploration and development of the West.

The leaders of the new order found time to take over Alaska (1868) with its 590,884 square miles. The move was diplomatic rather than economic, however, and it was many years before the huge wealth of Alaska was even suspected.

2. *Hawaii*

The new capitalist interests began to feel the need of additional territory toward the end of the nineteenth century. The desirable resources of the United States were largely in private hands and most of the available free land had been pre-empted. Beside that, there were certain interests, like sugar and tobacco, that were looking with longing eyes toward the tempting soil and climate of Hawaii, Porto Rico and Cuba.

When the South had advocated the annexation of Texas, its statesmen had been denounced as expansionists and imperialists. The same fate awaited the statesmen of the new order who were favoring the extension of United States territory to include some of the contiguous islands that offered special opportunities for certain powerful financial interests.

The struggle began over the annexation of Hawaii. After numerous attempts to annex Hawaii to the United States a revolution was finally consummated in Honolulu

in 1893. At that time, under treaty provisions, the neutrality of Hawaii was guaranteed by the United States. Likewise, "of the capital invested in the islands, two-thirds is owned by Americans." This statement is made in "Address by the Hawaiian Branches of the Sons of the American Revolution, the Sons of Veterans, and the Grand Army of the Republic to their compatriots in America Concerning the Annexation of Hawaii." (1897.) These advocates of annexation state in the same address that: "The revolution (of 1893) was not the work of filibusterers and adventurers, but of the most conservative and law-abiding citizens, of the principal tax-payers, the leaders of industrial enterprises, etc." The purpose behind the revolution seemed clear. Certain business men who had sugar and other products to sell in the United States, believed that they would gain, financially, by annexation. They engineered the revolution of 1893 and they were actively engaged in the agitation for annexation that lasted until the treaty of annexation was confirmed by the United States in 1898. The matter was debated at length on the floor of the United States Senate, and an investigation revealed the essential facts of the case.

The immediate cause of the revolution in 1893 was friction over the Hawaiian Constitution. After some agitation, a "Committee of Safety" was organized for the protection of life and property on the islands. Certain members of the Hawaiian government were in favor of declaring martial law, and dealing summarily with the conspirators. The Queen seems to have hesitated at such a course because of the probable complications with the government of the United States.

The *U. S. S. Boston*, sent at the request of United States Minister Stevens to protect American life and property in the Islands, was lying in the harbor of Honolulu. After some negotiations between the "Committee of Safety" and Minister Stevens, the latter requested the Commander of the *Boston* to land a number of marines. This was done on the afternoon of January 16, 1893. Immediately the

Governor of the Island of Oahu and the Minister of Foreign Affairs addressed official communications to the United States Minister, protesting against the landing of troops "without permission from the proper authorities." Minister Stevens replied, assuming full responsibility.

On the day following the landing of the marines, the Committee of Safety, under the chairmanship of Judge Dole, who had resigned as Justice of the Supreme Court of Hawaii in order to accept the Chairmanship of the Committee, proceeded to the government building, and there, under cover of the guns of the United States Marines, who were drawn up for the purpose of protecting the Committee against possible attack, a proclamation was read, declaring the abrogation of the Hawaiian monarchy, and the establishment of a provisional government "to exist until terms of union with the United States have been negotiated and agreed upon." Within an hour after the reading of this proclamation, and while the Queen and her government were still in authority, and in possession of the Palace, the Barracks, and the Police Station, the United States Minister gave the Provisional Government his recognition.

The Queen, who had 500 soldiers in the Barracks, was inclined to fight, but on the advice of her counselors, she yielded "to the superior force of the United States of America" until the facts could be presented at Washington, and the wrong righted.

Two weeks later, on the first of February, Minister Stevens issued a proclamation declaring a protectorate over the islands. This action was later repudiated by the authorities at Washington, but on February 15, President Harrison submitted a treaty of annexation to the Senate. The treaty failed of passage, and President Cleveland, as one of his first official acts, ordered a complete investigation of the whole affair.

The Senate Committee on Foreign Relations submitted a report on the matter February 26, 1894. Four members

referred to the acts of Minister Stevens as "active, officious and unbecoming participation in the events which led to the revolution." All members of the committee agreed that his action in declaring a protectorate over the Islands was unjustified.

The same kind of a fight that developed over the annexation of Texas now took place over the annexation of Hawaii. A group of senators, of whom Senator R. F. Pettigrew was the most conspicuous figure, succeeded in preventing the ratification of the annexation treaty until July 7, 1898. Then, ten weeks after the declaration of the Spanish-American War, under the stress of the war-hysteria, Hawaii was annexed by a joint resolution of Congress.

The Annexation of Hawaii marks a turning point in the history of the United States. For the first time, the American people secured possession of territory lying outside of the mainland of North America. For the first time the United States acquired territory lying within the tropics. The annexation of Hawaii was the first imperialistic act after the annexation of Texas, more than fifty years before. It was the first imperialistic act since the capitalists of the North had succeeded the slave-owners of the South as the masters of American public life.

3. *The Spanish-American War*

The real test of the imperial intentions of the United States came with the Spanish-American War. An old, shattered world empire (Spain) held Porto Rico, Cuba and the Philippines. Porto Rico and Cuba were of peculiar value to the sugar and tobacco interests of the United States. They were close to the mainland, they were enormously productive and, furthermore, Cuba contained important deposits of iron ore.

Spain had only a feeble grip on her possessions. For years the natives of Cuba and of the Philippines had been

in revolt against the Spanish power. At times the revolt was covert. Again it blazed in the open.

The situation in Cuba was rendered particularly critical because of the methods used by the Spanish authorities in dealing with the rebellious natives. The Spaniards were simply doing what any empire does to suppress rebellion and enforce obedience, but the brutalities of imperialism, as practiced in Cuba by the Spaniards, gave the American interventionists their opportunity. Day after day the newspapers carried front page stories of Spanish atrocities in Cuba. Day after day the ground was prepared for open intervention in the interests of the oppressed Cubans. There was more than grim humor in the instructions which a great newspaper publisher is reported to have sent his cartoonist in Cuba,—“You provide the pictures; we’ll furnish the war.”

The conflict was precipitated by the blowing up of the United States battleship *Maine* as she lay in the harbor of Havana (February 15, 1898). It has not been settled to this day whether the *Maine* was blown up from without or within. At the time it was assumed that the ship was blown up by the Spanish, although “there was no evidence whatever that any one connected with the exercise of Spanish authority in Cuba had had so much as guilty knowledge of the plans made to destroy the *Maine*” (p. 270), and although “toward the last it had begun to look as if the Spanish Government were ready, rather than let the war feeling in the United States put things beyond all possibility of a peaceful solution, to make very substantial concessions to the Cuban insurgents and bring the troubles of the Island to an end” (p. 273-4).¹

Congress, in a joint resolution passed April 20, 1898, declared that “the people of the Island of Cuba are, and of right ought to be, free and independent. . . . The United States hereby disclaims any intention to exercise sovereignty, jurisdiction or control over said island except for

¹ “A History of the American People,” Woodrow Wilson. New York, Harpers, 1902, Vol. V, pp. 273-4.

the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people."

The war itself was of no great moment. There was little fighting on land, and the naval battles resulted in overwhelming victories for the American Navy. The treaty, ratified February 6, 1899, provided that Spain should cede to the United States Guam, Porto Rico, Cuba and the Philippines, and that the United States should pay to Spain twenty millions of dollars. As in the case of the Mexican War, the United States took possession of the territory and then paid a bonus for a clear title.

The losses in the war were very small. The total number of men who were killed in action and who died of wounds was 289; while 3,949 died of accidents and disease. ("Historical Register," Vol. 2, p. 187.) The cost of the war was comparatively slight. Hostilities lasted from April 21, 1898 to August 12, 1898. The entire military and naval expense for the year 1898 was \$443,368,000; for the year 1899, \$605,071,000. Again the need for a larger place in the sun had been felt by the people of the United States and again the United States had won immense riches with a tiny outlay in men and money.

Now came the real issue,—What should the United States do with the booty?

There were many who held that the United States was bound to set the peoples of the conquered territory free. To be sure the specific pledge contained in the joint resolution of April 20, 1898, applied to Cuba alone, but, it was argued, since the people of the Philippines had also been fighting for liberty, and since they had come so near to winning their independence from the Spaniards, they were likewise entitled to it.

On the other hand, the advocates of annexation insisted that it was the duty of the United States to accept the responsibilities (the "white man's burden") that the acquisition of these islands involved.

As President McKinley put it:—"The Philippines, like Cuba and Porto Rico, were entrusted to our hands by the providence of God." (President McKinley, Boston, February 16, 1899.) How was the country to avoid such a duty?

Thus was the issue drawn between the "imperialists" and the "anti-imperialists."

The imperialists had the machinery of government, the newspapers, and the prestige of a victorious and very popular war behind them. The anti-imperialists had half a century of unbroken tradition; the accepted principles of self-government; the sayings of men who had organized the Revolution of 1776; written the Declaration of Independence; held exalted offices and piloted the nation through the Civil War.

The imperialists used their inside position. The anti-imperialists appealed to public opinion. They organized a league "to aid in holding the United States true to the principles of the Declaration of Independence. It seeks the preservation of the rights of the people as guaranteed to them by the Constitution. Its members hold self-government to be fundamental, and good government to be but incidental. It is its purpose to oppose by all proper means the extension of the sovereignty of the United States over subject peoples. It will contribute to the defeat of any candidate or party that stands for the forcible subjugation of any people." (From the declaration of principle printed on the literature in 1899 and 1900.) Anti-imperialist conferences were held in New York, Philadelphia, Chicago, Indianapolis, Boston and other large cities. The League claimed to have half a million members. An extensive pamphlet literature was published, and every effort was made to arouse the people of the country to the importance of the decision that lay before them.

The imperialists said a great deal less than their opponents, but they were more effective in their efforts. The President had said, in his message to Congress (April 1,

1898), "I speak not of forcible annexation, for that cannot be thought of. That, by our code of morals, would be criminal aggression." The phrase was seized eagerly by those who were opposing the annexation of the Spanish possessions. After the war with Spain had begun, the President changed front on the ground that destiny had placed a responsibility upon the American people that they could not shirk. Taking this view of the situation, the President had only one course open to him—to insist upon the annexation of the Philippines, Porto Rico and Guam. This was the course that was followed, and on April 11, 1899, these territories were officially incorporated into the United States.

Senator Hoar, in a speech on January 9, 1899, put the issue squarely. He described it as "a greater danger than we have encountered since the Pilgrims landed at Plymouth—the danger that we are to be transformed from a republic, founded on the Declaration of Independence, guided by the counsels of Washington, into a vulgar, commonplace empire, founded upon physical force."

Cuba remained to be disposed of. With the specific guarantee of independence contained in the joint resolution passed at the outbreak of the war, it seemed impossible to do otherwise than to give the Cubans self-government. Many influential men lamented the necessity, but it was generally conceded. But how much independence should Cuba have? That question was answered by the passage of the Cuban Treaty with the "Platt Amendment" attached. Under the treaty as ratified the United States does exercise "sovereignty, jurisdiction and control" over the island.

4. *The Philippines*

The territory acquired from Spain was now, in theory, disposed of. Practically, the Philippines remained as a source of difficulty and even of political danger.

The people of Cuba were, apparently, satisfied. The Porto Ricans had accepted the authority of the United

States without question. But the Filipinos were not content. If the Cubans were to have self-government, why not they?

The situation was complicated by the peculiar relations existing between the Filipinos and the United States Government. Immediately after the declaration of war with Spain the United States Consul-General at Singapore had cabled to Admiral Dewey at Hong Kong that Aguinaldo, leader of the insurgent forces in the Philippines, was then at Singapore, and was ready to go to Hong Kong. Commodore Dewey cabled back asking Aguinaldo to come at once to Hong Kong. Aguinaldo left Singapore on April 26, 1898, and, with seventeen other revolutionary Filipino chiefs, was taken from Hong Kong to Manila in the United States naval vessel *McCulloch*. Upon his arrival in Manila, he at once took charge of the insurgents.

For three hundred years the inhabitants of the Philippines had been engaged in almost incessant warfare with the Spanish authorities. In the spring of 1898 they were in a fair way to win their independence. They had a large number of men under arms—from 20,000 to 30,000; they had fought the Spanish garrisons to a stand-still, and were in practical control of the situation.

Aguinaldo was furnished with 4,000 or 5,000 stands of arms by the American officials, he took additional arms from the Spaniards and he and his people coöperated actively with the Americans in driving the Spanish out of Luzon. The Filipino army captured Iloilo, the second largest city in the Philippines, without the assistance of the Americans. On the day of the surrender of Manila, 15½ miles of the surrounding line was occupied by the Filipinos and 600 yards by the American troops. Throughout the early summer, the relations between the Filipinos and the Americans continued to be friendly. General Anderson, in command of the American Army, wrote a letter to the commander of the Filipinos (July 4, 1898) in which he said,—“I desire to have the most amicable relations with you and to have you and your people coöperate with

us in military operations against the Spanish forces." During the summer the American officers called upon the Filipinos for supplies and information and accepted their coöperation. Aguinaldo, on his part, treated the Americans as deliverers, and in his proclamations referred to them as "liberators" and "redeemers."

The Filipinos, at the earliest possible moment, organized a government. On June 18 a republic was proclaimed; on the 23rd the cabinet was announced; on the 27th a decree was published providing for elections, and on August 6th an address was issued to foreign governments, announcing that the revolutionary government was in operation, and was in control of fifteen provinces.

The real intent of the Americans was foreshadowed in the instructions handed by President McKinley to General Wesley Merritt on May 19, 1898. General Merritt was directed to inform the Filipinos that "we come not to make war upon the people of the Philippines, nor upon any party or faction among them, but to protect them in their homes, in their employments, and in their personal and religious rights. Any persons who, either by active aid or by honest submission, coöperate with the United States in its effort to give effect to this beneficent purpose, will receive the reward of its support and protection."

The Filipinos sent a delegation to Paris to lay their claims for independence before the Peace Commission. Meeting with no success, they visited Washington, with no different result. They were not to be free!

On September 8, 1898, General Otis, commander of the American forces in the Philippines, notified Aguinaldo that unless he withdrew his forces from Manila and its suburbs by the 15th "I shall be obliged to resort to forcible action." On January 5, 1899, by Presidential Proclamation, McKinley ordered that "The Military Government heretofore maintained by the United States in the city, harbor, and bay of Manila is to be extended with all possible dispatch to the whole of the ceded territory." On February

4, 1899, General Otis reported "Firing upon the Filipinos and the killing of one of them by the Americans, leading to return fire." (Report up to April 6, 1899.) Then followed the Philippine War during which 1,037 Americans were killed in action or died of wounds; 2,818 were wounded, and 2,748 died of disease. ("Historical Register," Vol. II, p. 293.)

The Philippines were conquered twice—once in a contest with Spain (in coöperation with the Filipinos, who regarded themselves as our allies), and once in a contest with the Filipinos, the native inhabitants, who were made subjects of the American Empire by this conquest.¹

5. Imperialism Accepted

The Philippine War was the last political episode in the life of the American Republic. From February 4, 1899, the United States accepted the political status of an Empire. Hawaii had been annexed at the behest of the Hawaiian Government; Porto Rico had been occupied as a part of the war strategy and without any protest from the Porto Ricans. The Philippines were taken against the determined opposition of the natives, who continued the struggle for independence during three bitter years.

The Filipinos were fighting for independence—fighting to drive invaders from their soil. The United States authorities had no status in the Philippines other than that of military conquerors.

Continental North America was occupied by the whites after a long struggle with the Indian tribes. This territory was "conquered"—but it was contiguous—it formed a part of a geographic unity. The Philippines were separated from San Francisco by 8,000 miles of water; geographically they were a part of Asia. They were tropical in char-

² For further details on the Philippine problem see Senate Document 62, Part I, 55th Congress, Third Session.

acter, and were inhabited by tribes having nothing in common with the American people except their common humanity. Nevertheless, despite non-contiguity; despite distance; despite dissimilarity in languages and customs, the soldiers of the United States conquered the Filipinos and the United States Government took control of the islands, acting in the same way that any other empire, under like circumstances, unquestionably would have acted.

There was no strategic reason that demanded the Philippines unless the United States desired to have an operating base near to the vast resources and the developing markets of China. As a vantage point from which to wage commercial and military aggression in the Far East, the Philippines may possess certain advantages. There is no other excuse for their conquest and retention by the United States save the economic excuse of advantages to be gained from the possession of the islands themselves.

The end of the nineteenth century saw the end of the Republic about which men like Jefferson and Lincoln wrote and dreamed. The New Century marked the opening of a new epoch—the beginning of world dominion for the United States.

VII. THE STRUGGLE FOR WEALTH AND POWER

1. *Economic Foundations*

THE people of the United States, through their contests with the American Indians, the Mexicans and the Filipinos, have established that "supreme and extensive political domination" which is one of the chief characteristics of empire.

But the American Empire does not rest upon a political basis. Only the most superficial portions of its superstructure are political in character. Imperialism in the United States, as in every other modern country, is built not upon politics, but upon industry.

The struggle between empires has shifted, in recent years, from the political and the military to the economic field. The old imperialism was based on military conquest and political domination. The new "financial" imperialism is based on economic opportunities and advantages. Under this new régime, territorial domination is subordinated to business profit.

While American public officials were engaged in the routine task of extending the political boundaries of the United States, the foundations of imperial strength were being laid by the masters of industrial life—the traders, manufacturers, bankers, the organizers of trusts and of industrial combinations. These owners and directors of the nation's wealth have been the real builders of the American Empire.

As the United States has developed, the economic motives have come more and more to the surface, until no modern nation—not England herself—has such a record in the search for material possessions. The pursuit of wealth, in the United States, has been carried forward ruthlessly; brutally. "Anything to win" has been the motto. Man

against man, and group against group, they have struggled for gain,—first, in order to “get ahead;” then to accumulate the comforts and luxuries, and last of all, to possess the immense power that goes with the control of modern wealth.

The early history of the country presaged anything but this. The colonists were seeking to escape tyranny, to establish justice and to inaugurate liberty. Their promises were prophetic. Their early deeds put the world in their debt. Forward looking people everywhere thrilled at the mention of the name “America.” Then came the discovery of the fabulous wealth of the new country; the pressure of the growing stream of immigrants; the heaping up of riches; the rapacious search after more! more! the desertion of the dearest principles of America’s early promise, and the transcribing of another story of “economic determinism.”

Until very recent times the American people continued to talk of political affairs as though they were the matters of chief public concern. The recent growth and concentration of economic power have showed plainly, however, that America was destined to play her greatest rôle on the economic field. Capable men therefore ceased to go into politics and instead turned their energies into the whirl of business, where they received a training that made them capable of handling affairs of the greatest intricacy and magnitude.

2. *Every Man for Himself*

The development of American industry, during the hundred years that began with the War of 1812, led inevitably to the unification of business control in the hands of a small group of wealth owners.

“Every man for himself” was the principle that the theorists of the eighteenth century bequeathed to the industrial pioneers of the nineteenth. The philosophy of individualism fitted well with the temperament and experience of the English speaking peoples; the practice of in-

dividualism under the formula "Every man for himself" seemed a divine ordination for the benefit of the new industry.

The eager American population adopted the slogan with enthusiasm. "Every man for himself" was the essence of their frontier lives; it was the breath of the wilderness.

But the idea failed in practice. Despite the assurances of its champions that individualism was necessary to preserve initiative and that progress was impossible without it, like many another principle—fine sounding in theory, it broke down in the application.

The first struggle that confronted the ambitious conqueror of the new world was the struggle with nature. Her stores were abundant, but they must be prepared for human use. Timber must be sawed; soil tilled; fish caught; coal mined; iron smelted; gold extracted. Rivers must be bridged; mountains spanned; lines of communication maintained. The continent was a vast storehouse of riches—potential riches. Before they could be made of actual use, however, the hand of man must transform them and transport them.

These necessary industrial processess were impossible under the "every man for himself" formula. Here was a vast continent, with boundless opportunities for supplying the necessaries and comforts of life—provided men were willing to come together; divide up the work; specialize; and exchange products.

Coöperation—alone—could conquer nature. The basis of this coöperation proved to be the machine. Its means was the system of production and transportation built upon the use of steam, electricity, gas, and labor saving appliances.

When the United States was discovered, the shuttle was thrown by hand; the hammer was wielded by human arm; the mill-stones were turned by wind and water; the boxes and bales were carried by pack-animals or in sailing vessels,—these processess of production and transportation were

conducted in practically the same way as in the time of Pharaoh or of Alexander the Great. A series of discoveries and inventions, made in England between 1735 and 1784, substituted the machine for the tool; the power of steam for the power of wind, water or human muscle; and set up the factory to produce, and the railroad and the steamboat to transport the factory product.

American industry, up to 1812, was still conducted on the old, individualistic lines. Factories were little known. Men worked singly, or by twos and threes in sheds or work-rooms adjoining their homes. The people lived in small villages or on scattered farms. Within the century American industry was transformed. Production shifted to the factory; about the factory grew up the industrial city in which lived the tens or hundreds of thousands of factory workers and their families.

The machine made a new society. The artisan could not compete with the products of the machine. The home workshop disappeared, and in its place rose the factory, with its tens, its hundreds and its thousands of operatives.

Under the modern system of machine production, each person has his particular duty to perform. Each depends, for the success of his service, upon that performed by thousands of others.

All modern industry is organized on the principle of coöperation, division of labor, and specialization. Each has his task, and unless each task is performed the entire system breaks down.

Never were the various branches of the military service more completely dependent upon each other than are the various departments of modern economic life. No man works alone. All are associated more or less intimately with the activities of thousands and millions of their fellows, until the failure of one is the failure of all, and the success of one is the success of all.

Such a development could have only one possible result, —people who worked together must live together. Scat-

tered villages gave place to industrial towns and cities. People were compelled to coöperate in their lives as well as in their labor.

The theory under which the new industrial society began its operations was "every man for himself." The development of the system has made every man dependent upon his fellows. The principle demanded an extreme individualism. The practice has created a vast network of inter-relations, that leads the cotton spinner of Massachusetts to eat the meat prepared by the packing-house operative in Omaha, while the pottery of Trenton and the clothing of New York are sent to the Yukon in exchange for fish and to the Golden Gate for fruit. Inside as well as outside the nation, the world is united by the strong hands of economic necessity. None can live to himself, alone. Each depends upon the labor of myriads whom he has never seen and of whom he has never heard. Whether we will or no, they are his brothers-in-labor—united in the Atlas fellowship of those who carry the world upon their shoulders.

The theory of "every man for himself" failed. The practical exigencies involved in subjugating a continent and wresting from nature the means of livelihood made it necessary to introduce the opposite principle,—“In Union there is strength; coöperation achieves all things.”

3. The Struggle for Organization

The technical difficulties involved in the mechanical production of wealth compelled even the individualists to work together. The requirements of industrial organization drove them in the same direction.

The first great problem before the early Americans was the conquest of nature. To this problem the machine was the answer. The second problem was the building of an organization capable of handling the new mechanism of production—an organization large enough, elastic enough,

stable enough and durable enough—to this problem the corporation was the answer.

The machine produced the goods. The corporation directed the production, marketed the products and financed both operations.

The corporation, as a means of organizing and directing business enterprise is a product of the last hundred years. A century ago the business of the United States was carried on by individuals, partnerships, and a few joint stock companies. At the time of the last Census, more than four-fifths of the manufactured products were turned out under corporate direction; most of the important mining enterprises were corporate, and the railroads, public utilities, banks and insurance companies were virtually all under the corporate form of organization. Thus the passage of a century has witnessed a complete revolution in the form of organizing and directing business enterprise.

The corporation, as a form of business organization is immensely superior to individual management and to the partnership.

1. The corporation has perpetual life. In the eyes of the law, it is a person that lives for the term of its charter. Individuals die; partnerships are dissolved; but the corporation with its unbroken existence, possesses a continuity and a permanence that are impossible of attainment under the earlier forms of business organization.

2. Liability, under the corporation, is limited by the amount of the investment. The liability of an individual or a partner engaged in business was as great as his ability to pay. The investor in a corporation cannot lose a sum larger than that represented by his investment.

3. The corporation, through the issuing of stocks and bonds, makes it possible to subdivide the total amount invested in one enterprise into many small units.¹ These

¹ The 169 largest railroads in the United States have issued 84,418,796 shares of stock. ("American Labor Year Book," 1917-18, p. 169.) Theoretically, therefore, there might be eighty-four millions of owners of the American railroads.

chances for small investment mean that a large number of persons may join in subscribing the capital for a business enterprise. They also mean that one well-to-do person may invest his wealth in a score or a hundred enterprises, thus reducing the risk of heavy losses to a minimum.

4. The corporation is not, as were the earlier forms of organization, necessarily a "one man" concern. Many corporations have upon their boards of directors the leading business men, merchants, bankers and financiers. In this way, the investing public has the assurance that the enterprise will be conducted along business lines, while the business men on the board have an opportunity to get in on the "ground floor."

The corporation has a permanence, a stability, and a breadth of financial support that are quite impossible in the case of the private venture or of the partnership. It does for business organization what the machine did for production.

The corporation came into favor at a time when business was expanding rapidly. Surplus was growing. Wealth and capital were accumulating. Industrial units were increasing in size. It was necessary to find some means by which the surplus wealth in the hands of many individuals could be brought together, large sums of capital concentrated under one unified control, the investments, thus secured, safeguarded against untoward losses, and the business conservatively and efficiently directed. The corporation was the answer to these needs.

"United we stand" proved to be as true of organizers and investors as it was of producers. The corporation was the common denominator of people with various industrial and financial interests.

The corporation played another rôle of vital consequence. It enabled the banker to dominate the business world. Heretofore, the banker had dealt largely with exchange. The industrial leader was his equal if not his superior. The

organization of the corporation put the supreme power in the hands of the banker, who as the intermediary between investor and producer, held the purse strings.

4. *Capitalist against Capitalist*

The early American enterprisers—the pioneers—began a single-handed struggle with nature. Necessity forced them to coöperate. They established a new industry. The factory brought them together. They organized their system of industrial direction and control. The corporation united them. They turned on one another in mortal combat, and the frightfulness of their losses forced them to join hands.

The business men of the late nineteenth century had been nurtured upon the idea of competition. "Every man for himself and the devil take the hindmost" summed up their philosophy. Each person who entered the business arena was met by an array of savage competitors whose motto was "Victory or Death." In the struggle that followed, most of them suffered death.

Capitalist set himself up against capitalist in bitter strife. The railroads gouged the farmers, the manufacturers and the merchants and fought one another. The big business organizations drove the little man to the wall and then attacked their larger rivals. It was a fight to the finish with no quarter asked or given.

The "finish" came with periodic regularity in the seventies, the eighties and the nineties. The number of commercial failures in 1875 was double the number of 1872. The number of failures in 1878 was over three times that of 1871. The same thing happened in the eighties. The liabilities of concerns failing in 1884 were nearly four times the liabilities of those failing in 1880. The climax came in the nineties, after a period of comparative prosperity. Hard times began in 1893. Demand dropped off. Production decreased. Unemployment was widespread. Wages

fell. Prices went down, down, under bitter competitive selling, to touch rock bottom in 1896. Business concerns continued to fight one another, though both were going to the wall. Weakened by the struggle, unable to meet the competitive price cutting that was all but the universal business practice of the time, thousands of business houses closed their doors. The effect was cumulative; the fabric of credit, broken at one point, was weakened correspondingly in other places and the guilty and the innocent were alike plunged into the morass of bankruptcy.

The destruction wrought in the business world by the panic of 1893 was enormous. The number of commercial failures for 1893 jumped to 15,242. The amount of liabilities involved in these failures was \$346,780,000. This catastrophe, coming as it did so close upon the heels of the panics that had immediately preceded it, could not fail to teach its lesson. Competition was not the life, but the death of trade. "Every man for himself" as a policy applied in the business world, led most of those engaged in the struggle over the brink to destruction. There was but one way out—through united action.

The period between 1897 and 1902 was one of feverish activity directed to coördinating the affairs of the business world. Trusts were formed in all of the important branches of industry and trade. The public looked upon the trust as a means of picking pockets through trade conspiracies and the boosting of prices. The Sherman Anti-Trust Law had been passed on that assumption. In reality, the trusts were organized by far seeing men who realized that competition was wasteful in practice and unsound in theory. The idea that the failure of one bank or shoe factory was of advantage to other banks and shoe factories, had not stood the test of experience. The tragedies of the nineties had showed conclusively that an injury to one part of the commercial fabric was an injury to all of its parts.

The generation of business men trained since 1900 has had no illusions about competition. Rather, it has had as its object the successful combination of various forms of

business enterprise into ever larger units. First, there was the uniting of like industries;—cotton mills were linked with cotton mills, mines with mines. Then came the integration of industry—the concentration under one control of all of the steps in the industrial process from the raw material to the finished product,—iron mines, coal mines, blast furnaces, converters, and rail mills united in one organization to take the raw material from the ground and to turn out the finished steel product. Last of all there was the union of unlike industries,—the control, by one group of interests, of as many and as varied activities as could be brought together and operated at a profit. The lengths to which business men have gone in combining various industries is well shown by the recent investigation of the meat packing industry. In the course of that investigation, the Federal Trade Commission was able to show that the five great packers (Wilson, Armour, Swift, Morris and Cudahy) were directly affiliated with 108 business enterprises, including 12 rendering companies; 18 stockyard companies; 8 terminal railway companies; 9 manufacturers of packers' machinery and supplies; 6 cattle loan companies; 4 public service corporations; 18 banks, and a number of miscellaneous companies, and that they controlled 2000 food products not immediately related to the packing industry.²

Business is consolidated because consolidation pays—not primarily, through the increase of prices, but through the greater stability, the lessened costs, and the growing security that has accompanied the abolition of competition.

Again the forces of social organization have triumphed in the face of an almost universal opposition. American business men practiced competition until they found that coöperation was the only possible means of conducting large affairs. Theory advised, "Compete"! Experience warned, "Combine"! Business men—like all other practical people—accepted the dictates of experience as the

² Summary of the Report of the Federal Trade Commission on the Meat Packing Industry, July 3, 1918, Wash., Govt. Print., 1918.

only sound basis for procedure. Their combination solidified their ranks, preparing them to take their places in a closely knit, dominant class, with clearly marked interests, and a strong feeling of class consciousness and solidarity.

It was in the consummation of these combinations, integrations and consolidations that the investment banker came into his own as the keystone in the modern industrial arch.

5. The Investment Banker

The investment banker is the directing and coördinating force in the modern business world. The necessities of factory production demanding great outlays of capital; the immense financial requirements of corporations; the consolidation of business ventures on a huge scale; the broadened use of corporate securities as investments—all brought the investment banker into the foreground.

Before the Spanish War, the investment banker financed the trusts. After the war he was entrusted with the vast surpluses which the concentration of business control had placed in a few hands. Business consolidation had given the banker position. The control of the surplus brought him power. Henceforth, all who wished access to the world of great industrial and commercial affairs must knock at his door.

This concentration of economic control in the hands of a relatively small number of investment bankers has been referred to frequently as the "Money Trust."

Investment banking monopoly, or as it is sometimes called, the "Money Trust" was examined in detail by the Pujo Committee of the House of Representatives, which presented a summary of its report on February 28, 1913. The committee placed, at the center of its diagram of financial power, J. P. Morgan & Co., the National City Bank, the First National Bank, the Guaranty Trust Co., and the Bankers Trust Co., all of New York. The report refers to Lee, Higginson & Co., of Boston and New York;

to Kidder, Peabody & Co., of Boston and New York, and to Kuhn, Loeb & Co., of New York, together with the Morgan affiliations, as being "the most active agents in forwarding and bringing about the concentration of control of money and credit" (p. 56).

The methods by which this control was effected are classed by the Committee under five heads:—

1. "Through consolidations of competitive or potentially competitive banks and trust companies which consolidations in turn have recently been brought under sympathetic management" (p. 56).

2. Through the purchase by the same interests of the stock of competitive institutions.

3. Through interlocking directorates.

4. "Through the influence which the more powerful banking houses, banks, and trust companies have secured in the management of insurance companies, railroads, producing and trading corporations and public utility corporations, by means of stock holdings, voting trusts, fiscal agency contracts, or representation upon their boards of directors, or through supplying the money requirements of railway, industrial, and public utility corporations and thereby being enabled to participate in the determination of their financial and business policies" (p. 56).

5. "Through partnership or joint account arrangements between a few of the leading banking houses, banks, and trust companies in the purchase of security issues of the great interstate corporations, accompanied by understandings of recent growth—sometimes called 'banking ethics'—which have had the effect of effectually destroying competition between such banking houses, banks, and trust companies in the struggle for business or in the purchase and sale of large issues of such securities" (p. 56).

Morgan & Co., the First National Bank, the National City Bank, the Bankers Trust Co., and the Guaranty Trust

Co., which were all closely affiliated, had extended their control until they held,—

118 directorships in 34 banks with combined resources of \$2,679,000,000.

30 directorships in 10 insurance companies with total assets of \$2,293,000,000.

105 directorships in 32 transportation systems having a total capital of \$11,784,000,000.

63 directorships in 24 producing and trading companies having a total capitalization of \$3,339,000,000.

25 directorships in 12 public utility corporations with a total capitalization of \$2,150,000,000.

The investment banker had become, what he was ultimately bound to be, the center of the system built upon the century-long struggle to control the wealth of the continent in the interest of the favored few who happened to own the choicest natural gifts.

6. The Cohesion of Wealth

The struggle for wealth and power, actively waged among the business men of the United States for more than a century, has thus by a process of elimination, subordination and survival, placed a few small groups of strong men in a position of immense economic power. The growth of surplus and its importance in the world of affairs has made the investment banker the logical center of this business leadership. He, with his immediate associates, directs and controls the affairs of the economic world.

The spirit of competition ruled the American business world at the beginning of the last century, the forces of combination dominated at its close. The new order was the product of necessity, not of choice. The life of the frontier had ingrained in men an individualism that chafed

under the restraints of combination. It was the compelling forces of impending calamity and the opportunity for greater economic advantage—not the traditions or accepted standards of the business world—that led to the establishment of the centralized wealth power. American business interests were driven together by the battering of economic loss and lured by the hope of greater economic gains.

Years of struggle and experience, by converting a scattered, individualistic wealth owning class into a highly organized, closely knit, homogeneous group with its common interests in the development of industry and the safeguarding of property rights, have brought unity and power to the business world.

Individually the members of the wealth-controlling class have learned that "in union there is strength"; collectively they are gripped by the "cohesion of wealth"—the class conscious instinct of an associated group of human beings who have much to gain and everything to lose.

VIII. THEIR UNITED STATES

1. *Translating Wealth into Power*

THE first object of the economic struggle is wealth. The second is power.

At the end of their era of competition, the leaders of American business found themselves masters of such vast stores of wealth that they were released from the paralyzing fear of starvation, and were guaranteed the comforts and luxuries of life. Had these men sought wealth as a means of satisfying their physical needs their object would have been attained.

The gratification of personal wants is only a minor element in the lives of the rich. After they have secured the things desired, they strive for the power that will give them control over their fellows.

The possession of things, is, in itself, a narrow field. The control over productive machinery gives him who exercises it the power to enjoy those things which the workers with machinery produce. The control over public affairs and over the forces that shape public opinion give him who exercises it the power to direct the thoughts and lives of the people. It is for these reasons that the keen, self-assertive, ambitious men who have come to the top in the rough and tumble of the business struggle have steadily extended their ownership and their control.

2. *The Wealth of the United States*

The bulk of American wealth, which consists for the most part of land and buildings, is concentrated in the centers of commerce and industry—in the regions of supreme business power.

The last detailed estimate of the wealth of the United States was made by the Census Bureau for the year 1912. At that time, the total wealth of the country was placed at \$187,739,000,000. (The estimate for 1920 is \$500,000,000,000.) Roughly speaking, this represented an estimate of exchangeable values. The figures, at best, are rough approximations. Their importance lies, not in their accuracy, but in the picture which they give of relationships.

The Total Wealth of the United States, Classified by
Groups, with the Percentage of the Total
Wealth in Each Group ¹

<i>Wealth Groups</i>	<i>Total Estimated Wealth</i>	
	<i>Amount (000,000 Omitted)</i>	<i>Per Cent of Total</i>
1. Real Property (land and buildings)	\$110,676	59
2. Public Utilities (railroads, street railways, telegraph, telephone, electric light, etc.)	26,415	14
3. Live Stock and Machinery (live stock, farm implements and man- ufacturing machinery)	13,697	7
4. Raw Materials, Manufactured Prod- ucts, Merchandise (including gold and silver bullion)	24,193	13
5. Personal Possessions (clothing, personal adornments, furniture, carriages, etc.)	12,758	7
Total of all groups	\$187,739	100

¹ "Estimated Valuation of National Wealth, 1850-1912," Bureau of the Census, 1915, p. 15.

The bulk of the exchangeable wealth of the United States consists of "productive" or "investment" property. If, to the total of 110 billions given by the Census as the value of real property, are added the real property values of the public utilities, the total will probably exceed three quarters of the total wealth of the United States. If, in addition, account is taken of the fact that much of the wealth classed as "raw materials, etc.," is the immediate product of the land (coal, ore, timber), some idea may be obtained of the extent to which the estimated wealth of the country is in the form of land, its immediate products, and buildings. Furthermore, it must be remembered that great quantities of ore lands, timber lands, waterpower sites, etc., are assessed at only a fraction of their total present value.

The personal property of the country is valued at less than one fourteenth of the total wealth. It is in reality a negligible item, as compared with the value of the real property, of the public utilities, and of the raw materials and products of industry.

The wealth of the United States is in permanent form—land and improvements; personal possessions are a mere incident in the total. In truth, American wealth is in the main productive (business) wealth, designed for the further production of goods, rather than for the satisfaction of human wants.

3. Ownership and Control

Who owns this vast wealth? It is impossible to answer the question with anything like definiteness. Figures have been compiled to show that five per cent of the people own two-thirds to three-quarters of it; that the poorest two-thirds of the people own five per cent of it, and that the well-to-do or middle class own the remainder. These figures would make it appear that more than one-fourth of the population is in the middle class. If the income-tax returns are to be trusted this proportion is far too

high. On all hands it is admitted that the wealth of the country is concentrated in the hands of a small fraction of the people and the important wealth—that is, the wealth upon which production, transportation and exchange depends—is in still fewer hands.

Neither the total wealth of the country, nor that portion of the total which is owned directly by the propertied class is of most immediate moment. Ownership does not necessarily involve control. A puddler in the Gary Mills may own five shares of stock in the Steel Corporation without ever raising his voice to determine the corporation policy. This is ownership without control. On the other hand, a banking house through a voting trust agreement, may control the policy of a corporation in which it does not own one per cent of the stock. This is control without ownership. Ownership may be quite incidental. It is control that counts in terms of power.

Most of the property owners in the United States play no part in the control of prices or of production, in the direction of economic policy, or in the management of economic affairs.

Theoretically, stockholders direct the policies of corporations, and, therefore, each holder of 5 or 10 shares of corporate stock would play a part in deciding economic affairs. Practically, the small stockholder has no part in business control.

The small farmer—the small business man of largest numerical consequence—has been exploited by the great interests for two generations. Despite his numbers and his organizations, despite his frequent efforts, through anti-trust laws, railway control laws, banking reform laws, and the like, he has little voice in determining important economic policies.

The small savings bank depositor or the holder of an ordinary insurance policy is a negative rather than a positive factor in economic control. Not only does he exercise no power over the dollar which he has placed with the

bank or with the insurance company, but he has thereby strengthened the hands of these organizations. Each dollar placed with the financier is a dollar's more power for him and his.

Suppose—the impossible—that half of the families in the United States “own property.” Subtract from this number the small stockholders; the holders of bonds notes and mortgages; the small tradesman; the small farmer; the home owner and the owner of a savings-bank deposit or of an insurance policy—what remains? There are the large stockholders, the owners and directors of important industries, public utilities, banks, trust companies and insurance companies. These persons, in the aggregate, constitute a fraction of one per cent of the adult population of the United States.

Start with the total non-personal wealth of the country, subtract from it the share-values of the small stockholders; the values of all bonds, mortgages and notes; the property of the small tradesman and the small farmer; the value of homes—what remains? There are left the stocks in the hands of the big stockholders; the properties owned and directed by the owners and directors of important industries, public utilities, banks, trust companies and insurance companies. This wealth in the aggregate probably makes up less than 10 per cent of the total wealth of the country and yet the tiny fraction of the population which owns this wealth can exercise a dictatorial control over the economic policies that underlie American public life.

4. The Avenues of Mastery

While control rests back directly or indirectly upon some form of ownership, most owners exercise little or no control over economic affairs. Instead they are made the victims of a social system under which one group lives at the expense of another.

Against this tendency toward control by one group or class (usually a minority) over the lives of another group

or class (usually a majority) the human spirit always has revolted. The United States in its earlier years was an embodiment of the spirit of that revolt. President Wilson characterized it excellently in 1916. Speaking of the American Flag, he said,—“That flag was originally stained in very precious blood, blood spilt, not for any dynasty, nor for any small controversies over national advantage, but in order that a little body of three million men in America might make sure that no man was their master.”²

Against mastery lovers of liberty protest. Mastery means tyranny; mastery means slavery.

Mastery has always been based upon some form of ownership. There is in the United States a group, growing in size, of people who take more in keep than they give in service; people who own land; franchises; stocks and bonds and mortgages; real estate and other forms of investment property; people who are living without ever lifting a finger in toil, or giving anything in labor for an unceasing stream of necessities, comforts and luxuries. These people, directly or indirectly, are the owners of the productive machinery of the United States.

Historically there have been a number of stages in the development of mastery. First, there was the ownership of the body. One man owned another man, as he might own a house or a pile of hides. At another stage, the owner of the land—the feudal baron or the landlord—said to the tenant, who worked on his land: “You stay on my land. You toil and work and make bread and I will eat it.” The present system of mastery is based on the ownership by one group of people, of the productive wealth upon which depends the livelihood of all. The masters of present day economic society have in their possession the natural resources, the tools, the franchises, patents, and the other phases of the modern industrial system with which the people must work in order to live. The few who own and control the productive wealth have it in their power

² “Addresses of President Wilson,” House Doc. 803. Sixty-fourth Congress, 1st Session (1916), p. 13.

to say to the many who neither own nor control,—“You may work or you may not work.” If the masses obtain work under these conditions the owners can say to them further,—“You work, and toil and earn bread and we will eat it.” Thus the few, deriving their power from the means by which their fellows must work for a living, own the jobs.

5. *The Mastery of Job-Ownership*

Job-ownership is the foundation of the latest and probably the most complete system of mastery ever perfected. The slave was held only in physical bondage. Behind serfdom there was land ownership and a religious sanction. “Divine right” and “God’s anointed,” were terms used to bulwark the position of the owning class, who made an effort to dominate the consciences as well as the bodies of their serfs. Job-ownership owes its effectiveness to a subtle, psychological power that overwhelms the unconscious victim, making him a tool, at once easy to handle and easy to discard.

The system of private ownership that succeeded Feudalism taught the lesson of economic ambition so thoroughly that it has permeated the whole world. The conditions of eighteenth century life have passed, perhaps forever, but its psychology lingers everywhere.

The job-holder has been taught that he must “get ahead” in the world; that if he practices the economic virtues,—thrift, honesty, earnestness, persistence, efficiency—he will necessarily receive great economic reward; that he must support his family on the standard set by the community, and that to do all of these essential things, he must take a job and hold on to it. Having taken the job, he finds that in order to hold it, he must be faithful to the job-owner, even if that involves faithlessness to his own ideas and ideals, to his health, his manhood, and the lives of his wife and children.

The driving power in slavery was the lash. Under serfdom it was the fear of hunger. The modern system of job-ownership owes its effectiveness to the fact that it has been built upon two of the most potent driving forces in all the world—hunger and ambition—the driving force that comes from the empty stomach and the driving force that comes from the desire for betterment. Thus job-owning, based upon an automatic self-drive principle, enables the job-owner to exact a return in faithful service that neither slavery nor serfdom ever made possible. Job-owning is thus the most thorough-going form of mastery yet devised by the ingenuity of man.

Unlike the slave owner and the Feudal lord the modern job-owner has no responsibility to the job-holder. The slave owner must feed, clothe and house his slave—otherwise he lost his property. The Feudal lord must protect and assist his tenant. That was a part of his bargain with his overlord. The modern job-owner is at liberty, at any time, to “discharge” the job-holder, and by throwing him out of work take away his chance of earning a living. While he keeps the job-holder on his payroll, he may pay him impossibly low wages and overwork him under conditions that are unfit for the maintenance of decent human life. Barring the factory laws and the health laws, he is at liberty to impose on the job-holder any form of treatment that the job-holder will tolerate.

There is no limit to the amount of industrial property that one man may own. Therefore, there is no limit to the number of jobs he may control. It is possible (not immediately likely) that one coterie of men might secure possession of enough industrial property to control the jobs of all of the gainfully occupied people in American industry. If this result could be achieved, these tens of millions would be able to earn a living only in case the small coterie in control permitted them to do so.

Job ownership is built, of necessity, on the ownership of land, resources, capital, credit, franchises, and other special privileges. But its power of control goes far be-

yond this mere physical ownership into the realms of social psychology.

The early colonists, who fled from the economic, political, social and religious tyranny of feudalism, believed that liberty and freedom from unjust mastery lay in the private ownership of the job. They had no thought of the modern industrial machine.

The abolitionists who fought slavery believed that freedom and liberty could be obtained by unshackling the body. They did not foresee the shackled mind.

The modern world, seeking freedom; yearning for liberty and justice; aiming at the overthrow of the mastery that goes with irresponsible power, finds to its dismay that the ownership of the job carries with it, not only economic mastery, but political, social and even religious mastery, as well.

6. The Ownership of the Product

The industrial overlord holds control of the job with one hand. With the other he controls the product of industry. From the time the raw material leaves the earth in the form of iron ore, crude petroleum, logs, or coal, through all of the processes of production, it is owned by the industrial master, not by the worker. Workers separate the product from the earth, transport it, refine it, fabricate it. Always, the product, like the machinery, is the possession of the owning class.

While industry was competitive, the pressure of competition kept prices at a cost level, and the exploiting power of the owner was confined to the job-holder. To-day, through combinations and consolidations, industry has ceased to be competitive, and the exploiting power of the job-owner is extended through his ownership of the product.

The modern town-dweller is almost wholly in the hands of the private owners of the products upon which he depends. The ordinary city dweller spends two-fifths of

his income for food; one-fifth for rent, fuel and light, and one-fifth for clothes. Food, houses, fuel (with the exception of gas supply in some cities), and clothing are privately owned. The public ownership of streets and water works, of some gas, electricity, street cars, and public markets, is a negligible factor in the problem. The private monopolist has the upper hand and he is able through the control of transportation, storage, and merchandising facilities, to make handsome profits for the "service" which he renders the consumer.

7. The Control of the Surplus

The wealth owners are doubly entrenched. They own the jobs upon which most families depend for a living. They own the necessities of life which most families must purchase in order to live. Further, they control the surplus wealth of the community.

There are three principal channels of surplus. First of all there is the surplus laid aside by business concerns, reinvested in the business, spent for new equipment and disposed of in other ways that add to the value of the property. Second, there are the 19,103 people in the United States with incomes of \$50,000 or more per year; the 30,391 people with incomes of \$25,000 to \$50,000 per year and the 12,502 people with incomes of \$10,000 to \$25,000 per year. (Figures for 1917.) Many, if not most of these rich people, carry heavy insurance, invest in securities, or in some other way add to surplus. In the third place there are the small investors, savings-bank depositors, insurance policy holders who, from their income, have saved something and have laid it aside for the rainy day. The masters of economic life—bankers, insurance men, property holders, business directors—are in control of all three forms of surplus.

The billions of surplus wealth that come each year under the control of the masters carry with them an immense authority over the affairs of the community. The owners

of wealth owe much of their immediate power to the fact that they control this surplus, and are in a position to direct its flow into such channels as they may select.

8. The Channels of Public Opinion

No one can question the control which business interests exercise over the jobs, the industrial product, and the economic surplus of the community. These facts are universally admitted. But the corollaries which flow naturally from such axioms are not so readily accepted. Yet given the economic power of the business world, the control over the channels of public opinion and over the machinery of government follows as a matter of course.

The channels of public opinion—the school, the press, the pulpit,—are not directly productive of tangible economic goods, yet they depend upon tangible economic goods for their maintenance. Whence should these goods come? Whence but from the system that produces them, through the men who control that system! The plutocracy exercises its power over the channels of public opinion in two ways,—the first, by a direct or business office control; and second, by an indirect or social prestige control.

The business office control is direct and simple. Schools, colleges, newspapers, magazines and churches need money. They cannot produce tangible wealth directly, and they must, therefore, depend upon the surplus which arises from the productive activities of the economic world. Who controls that surplus? Business men. Who, then, is in a position to dictate terms in financial matters? Who but the dominant forces in business life?

The facts are incontrovertible. It is not mere chance that recruits the overwhelming majority of school-board members, college trustees, newspaper managers, and church vestrymen, from the ranks of successful business and professional men. It is necessary for the educator, the journalist, and the minister to work through these men in

order to secure the "sinews of war." They are at the focal points of power because they control the sources of surplus wealth.

The second method of maintaining control—through the control of social prestige—is indirect, but none the less effective. The young man in college; the young graduate looking for a job; the young man rising in his profession, and the man gaining ascendancy in his chosen career are brought into constant contact with the "influential" members of the business world. It is the business world that dominates the clubs and the vacation spots; it is the business world that is met in church, at the dinner tables and at the social gathering.

The man who would "succeed" must retain the favor of this group. He does so automatically, instinctively or semi-consciously—it is the common, accepted practice and he falls in line.

The masters need not bribe. They need not resort to illegal or unethical methods. The ordinary channels of advertising, of business acquaintance and patronage, of philanthropy and of social intercourse clinch their power over the channels of public opinion.

9. *The Control of Political Machinery*

The American government,—city, state and nation—is in almost the same position as the schools, newspapers and churches. It does not turn out tangible, economic products. It depends, for its support, upon taxes which are levied, in the first instance, upon property. Who are the owners of this property? The business interests. Who, therefore, pay the bills of the government? The business interests.

Nowhere has the issue been stated more clearly or more emphatically than by Woodrow Wilson in certain passages of his "New Freedom." As a student of politics and

government—particularly the American Government—he sees the power which those who control economic life are able to exercise over public affairs, and realizes that their influence has grown, until it overtops that of the political world so completely that the machinery of politics is under the domination of the organizers and directors of industry.

“We know,” writes Mr. Wilson in “The New Freedom,” “that something intervenes between the people of the United States and the control of their own affairs at Washington. It is not the people who have been ruling there of late” (p. 28). “The masters of the government of the United States are the combined capitalists and manufacturers of the United States. . . . Suppose you go to Washington and try to get at your government. You will always find that while you are politely listened to, the men really consulted are the men who have the biggest stakes—the big bankers, the big manufacturers, the big masters of commerce, the heads of railroad corporations and of steamship corporations. . . . Every time it has come to a critical question, these gentlemen have been yielded to and their demands have been treated as the demands that should be followed as a matter of course. The government of the United States at present is a foster-child of the special interests” (p. 57-58). “The organization of business has become more centralized, vastly more centralized, than the political organization of the country itself” (p. 187). “An invisible empire has been set up above the forms of democracy” (p. 35). “We are all caught in a great economic system which is heartless” (p. 10).

This is the direct control exercised by the plutocracy over the machinery of government. Its indirect control is no less important, and is exercised in exactly the same way as in the case of the channels of public opinion.

Lawyers receive preferment and fees from business—there is no other large source of support for lawyers. Judges are chosen from among these same lawyers. Usually they are lawyers who have won preferment and emolu-

ment. Legislators are lawyers and business men, or the representatives of lawyers and business men. The result is as logical as it is inevitable.

The wealth owners control the machinery of government because they pay the taxes and provide the campaign funds. They control public officials because they have been, are, or hope to be, on the payrolls, or participants in the profits of industrial enterprises.

10. *It is "Their United States"*

The man fighting for bread has little time to "turn his eyes up to the eternal stars. "The western cult of efficiency makes no allowances for philosophic propensities. Its object is product and it is satisfied with nothing short of that sordid goal.

The members of the wealth owning class are relieved from the food struggle. Their ownership of the social machinery guarantees them a secure income from which they need make no appeal. These privileges provide for them and theirs the leisure and the culture that are the only possible excuse for the existence of civilization.

The propertied class, because it owns the jobs, the industrial products, the social surplus, the channels of public opinion and the political machinery also enjoys the opportunity that goes with adequately assured income, leisure and culture.

The members of the dominant economic class hold a key—property ownership—which opens the structure of social wealth. Those who have access to this key are the blessed ones. Theirs are the things of this world.

The property owners enjoy the fleshpots. They hold the vantage points. The vital forces are in their hands. Economically, politically, socially, they are supreme.

If the control of material things can make a group secure, the wealth owners in the United States are secure. They hold property, prestige, power.

The phrase "our United States" as used by the great

majority of the people is a misnomer. With the exception of a theoretically valuable but practically unimportant right called "freedom of contract," the majority of the wage earners in the United States have no more excuse for using the phrase "our United States" than the slaves in the South, before the war, for saying "our Southland."

The franchise is a potential power, making it theoretically possible for the electorate to take possession of the country. In practice, the franchise has had no such result. Quite the contrary, the masters of American life by a policy of chicanery and misrepresentation, advertise and support first one and then the other of the "Old Parties," both of which are led by the members of the propertied class or by their retainers. The people, deluded by the press, and ignorant of their real interests, go to the polls year after year and vote for representatives that represent, in all of their interests, the special privileged classes.

The economic and social reorganization of the United States during the past fifty years has gone fast and far. The system of perpetual (fee simple) private ownership of the resources has concentrated the control over the natural resources in a small group, not of individuals, but of corporations; has created a new form of social master, in the form of a land-tool-job owner; has thus made possible a type of absentee-landlordism more effective and less human than were any of its predecessors and has decreased the responsibility at the same time that it has augmented the power of the owning group. These changes have been an integral part of a general economic transformation that has occupied the chief energies of the ablest men of the community for the past two generations.

The country of many farms, villages and towns, and of a few cities, with opportunity free and easy of access, has become a country of highly organized concentrated wealth power, owned by a small fraction of the people and controlled by a tiny minority of the owners for their benefit and profit. The country which was rightfully called "our United States" in 1840, by 1920 was "their United States" in every important sense of the word.

IX. THE DIVINE RIGHT OF PROPERTY

1. *Land Ownership and Liberty*

THE owners of American wealth have been molded gradually into a ruling class. Years of brutal, competitive, economic struggle solidified their ranks,—distinguishing friend from enemy; clarifying economic laws, and demonstrating the importance of coördination in economic affairs. Economic control, once firmly established, opened before the wealth owning class an opportunity to dominate the entire field of public life.

Before the property owners could feel secure in their possessions, steps must be taken to transmute the popular ideas regarding “property rights” into a public opinion that would permit the concentration of important property in the hands of a small owning class, at the same time that it held to the conviction that society, without privately owned land and machinery, was unthinkable.

Many of the leading spirits among the colonists had come to America in the hope of realizing the ideal of “Every man a farm, and every farm a man.” Upon this principle they believed that it would be possible to set up the free government which so many were seeking in those dark days of the divine right of kings.

For many years after the organization of the Federal Government men spoke of the public domain as if it were to last indefinitely. As late as 1832 Henry Clay, in a discussion of the public lands, could say, “We should rejoice that this bountiful resource possessed by our country, remains in almost undiminished quantity.” Later in the same speech he referred to the public lands as being “liberally offered,—in exhaustless quantities, and at mod-

erate prices, enriching individuals and tending to the rapid improvement of the country.”¹

The land rose in price as settlers came in greater numbers. Land booms developed. Speculation was rife. Efforts were made to secure additional concessions from the Government. It was in this debate, where the public land was referred to as “refuse land” that Henry Clay felt called upon to remind his fellow-legislators of the significance and growing value of the public land. He said, “A friend of mine in this city bought in Illinois last fall about two thousand acres of this refuse land at the minimum price, for which he has lately refused six dollars per acre. . . . It is a business, a very profitable business, at which fortunes are made in the new states, to purchase these refuse lands and without improving them to sell them at large advances.”²

A century ago, while it was still almost a wilderness, Illinois began to feel the pressure of limited resources—a pressure which has increased to such a point that it has completely revolutionized the system of society that was known to the men who established the Government of the United States.

This early record of a mid-western land boom, with Illinois land at six dollars an acre, tells the story of everything that was to follow. Even in 1832 there was not enough of the good land to go around. Already the community was dividing itself into two classes—those who could get good land and those who could not. A wise man, understanding the part played by economic forces in determining the fate of a people, might have said to Henry Clay on that June day in 1832, “Friend, you have pronounced the obituary of American liberty.”

Some wise man might have spoken thus, but how strange the utterance would have sounded! There was so much

¹ Speech in the Senate, June 20, 1832. Works Colvin Colton, ed. New York, Putnam's, 1904, vol. 7, p. 503.

² *Ibid.*, p. 503.

land, and all history seemed to guarantee the beneficial results that are derived from individual land ownership. The democracies of Greece and Rome were built upon such a foundation. The yeomanry of England had proved her pride and stay. In Europe the free workers in the towns had been the guardians of the rights of the people. Throughout historic times, liberty has taken root where there is an economic foundation for the freedom which each man feels he has a right to demand.

2. *Security of "Acquisitions"*

Feudal Europe depended for its living upon agriculture. The Feudal System had concentrated the ownership of practically all of the valuable agricultural land in the hands of the small group of persons which ruled because it controlled economic opportunity. The power of this class rested on its ownership of the resource upon which the majority of the people depended for a livelihood.

The Feudal System was transplanted to England, but it never took deep root there. When in 1215 A. D. (only a century and a half after the Great William had made his effort to feudalize England) King John signed the Magna Carta, Feudalism proper gave way to landlordism—the basis of English economic life from that time to this.

The system of English landlordism (which showed itself at its worst in the absentee landlordism of Ireland) differed from Feudalism in this essential respect,—Feudalism was based upon the idea of the divine right of kings. English landlordism was based on the idea of divine right of property. English landlordism is the immediate ancestor of the property concept that is universally accepted in the business world of to-day.

The evils of Feudalism and of landlordism were well known to the American colonists who were under the impression that they arose not from the fact of ownership, but from the concentration of ownership. The resources

of the new world seemed limitless, and the possibility that landlordism might show its ugly head on this side of the Atlantic was too remote for serious consideration.

With the independence of the United States assured after the War of 1812; with the growth of industry, and the coming of tens of thousands of new settlers, the future of democracy seemed bright. Daniel Webster characterized the outlook in 1821 by saying, "A country of such vast extent, with such varieties of soil and climate, with so much public spirit and private enterprise, with a population increasing so much beyond former examples, . . . so free in its institutions, so mild in its laws, so secure in the title it confers on every man to his own acquisitions,—needs nothing but time and peace to carry it forward to almost any point of advancement."³

"So free in its institutions, so mild in its laws, so secure in the title it confers on every man to his own acquisitions,"—the words were prophetic. At the moment when they were uttered the forces were busy that were destined to realize Webster's dream, on an imperial scale, at the expense of the freedom which he prized. Men were free to get what they could, and once having secured it, they were safeguarded in its possession. Property ownership was a virtue universally commended. Constitutions were drawn and laws were framed to guarantee to property owners the rights to their property, even in cases where this property consisted of the bodies of their fellow men.

The movement toward the protection of property rights has been progressive. Webster as a representative of the dominant interests of the country a hundred years ago rejoiced that every man had a secure title to "his own acquisitions," at a time when the property of the country was generally owned by those who had expended some personal effort in acquiring it. It was a long step from these personal acquisitions to the tens of billions of wealth

³ "Speeches," E. P. Whipple, ed. Little, Brown & Co., 1910, pp. 59-60.

in the hands of twentieth century American corporations. Daniel Webster helped to bridge the gap. He was responsible, at least in part, for the Dartmouth College Decision (1816) in which the Supreme Court ruled that a charter, granted by a state, is a contract that cannot be modified at will by the state. This decision made the corporation, once created and chartered, a free agent. Then came the Fourteenth Amendment with its provision that "no state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property, without due process of law." The amendment was intended to benefit negroes. It has been used to place property ownership first among the American beatitudes.

Corporations are "persons" in the eyes of the law. When the state of California tried to tax the property of the Southern Pacific Railroad at a rate different from that which it imposed on persons, the Supreme Court declared the law unconstitutional. This decision, coupled with that in the Dartmouth College Case secured for a corporation "the same immunities as any other person; and since the charter creating a corporation is a contract, whose obligation cannot be impaired by the one-sided act of a legislature, its constitutional position, as property holder, is much stronger than anywhere in Europe." These decisions "have had the effect of placing the modern industrial corporation in an almost impregnable constitutional position."⁴

Surrounded by constitutional guarantees, armed with legal privileges and prerogatives and employing the language of liberty, the private property interests in the United States have gone forward from victory to victory, extending their power as they increased and concentrated their possessions.

⁴ "The Constitutional Position of Property in America," Arthur T. Hadley, *Independent*, April 16, 1908.

3. *Safeguarding Property Rights*

The efforts of Daniel Webster and his contemporaries to protect "acquisitions" have been seconded, with extraordinary ability, by business organizers, accountants, lawyers and bankers, who have broadened the field of their endeavors until it includes not merely "acquisitions," but all "property rights." Daniel Webster lived before the era of corporations. He thought of "acquisitions" as property secured through the personal efforts of the human being who possessed it. To-day more than half of the total property and probably more than three-quarters of productive wealth is owned by corporations. It required ability and foresight to extend the right of "acquisitions" to the rights of corporate stocks and bonds. The leaders among the property owners possessed the necessary qualifications. They did their work masterfully, and to-day corporate property rights are more securely protected than were the rights of acquisitions a hundred years ago.

The safeguards that have been thrown about property are simple and effective. They arose quite naturally out of the rapidly developing structure of industrialism.

First—There was an immense increase in the amount of property and of surplus in the hands of the wealth-owning class. After the new industry was brought into being with the Industrial Revolution, economic life no longer depended so exclusively upon agricultural land. Coal, iron, copper, cement, and many other resources could now be utilized, making possible a wider field for property rights. Again, the amount of surplus that could be produced by one worker, with the assistance of a machine, was much greater than under the agricultural system.

Second—The new method of conducting economic affairs gave the property owners greater security of possession. Property holders always have been fearful that

some fate might overtake their property, forcing them into the ranks of the non-possessors. When property was in the form of bullion or jewels, the danger of loss was comparatively great. The Feudal aristocracy, with its land-holdings, was more secure. Land-holdings were also more satisfactory. Jewels and plate do not pay any rent, but tenants do. Thus the owner of land had security plus a regular income.

The corporation facilitated possession by providing a means (stocks and bonds) whereby the property owner was under no obligation other than that of clipping coupons or cashing interest checks upon "securities" that are matters of public record; issued by corporations that make detailed financial reports, and that are subject to vigorous public inspection and, in the cases of banks and other financial organizations, to the most stringent regulation.

Third—Greater permanence has been secured for property advantages. Corporations have perpetual, uninterrupted life. The deaths of persons do not affect them. The corporation also overcame the danger of the dissipation of property in the process of "three generations from shirt sleeves to shirt sleeves." The worthless son of the thrifty parent may still be able to squander his inheritance, but that simply means a transfer of the title to his stocks and bonds. The property itself remains intact.

Fourth—Property has secured a claim on income that is, in the last analysis, prior to the claim of the worker.

When a man ran his own business, investing his capital, putting back part of his earnings, and taking from the business only what he needed for his personal expenses, "profits" were a matter of good fortune. There were "good years" and "bad years," when profits were high or low. Many years closed with no profit at all. The average farmer still handles his business in that way.

The incorporation of business, and the issuing of bonds and stocks has revolutionized this situation. It is no longer possible to "wait till things pick up." If the business has

issued a million in bonds, at five per cent, there is an interest charge of \$50,000 that must be met each year. There may be no money to lay out for repairs and needed improvements, but if the business is to remain solvent, it must pay the interest on its bonds.

Businesses that are issuing securities to the public face the same situation with regard to their stocks. Wise directors see to it that a regular rate, rather than a high rate of dividends, is paid. Regularity means greater certainty and stability, hence better consideration from the investing public.

Fifth—The practices of the modern economic world have gone far to increase the security of property rights.

Business men have worked ardently to "stabilize" business. They have insisted upon the importance of "business sanity;" of conservatism in finance; of the returns due a man who risks his wealth in a business venture; and of the fundamental necessity of maintaining business on a sound basis. After centuries of experiment they have evolved what they regard as a safe and sane method of financial business procedure. Every successful business man tried to live up to the following well-established formula.

First, he pays out of his total returns, or gross receipts, the ordinary costs of doing business—materials, labor, repairs and the like. These payments are known as running expenses or up-keep.

Second, after up-keep charges are paid he takes the remainder, called gross income, and pays out of it the fixed charges—taxes, insurance, interest and depreciation.

Third, the business man, having paid all of the necessary expenses of doing business (the running expenses and the fixed charges), has left a fund (net income) which, roughly speaking, is the profits of the business. Out of this net income, dividends are paid, improvements and extensions of the plant are provided for.

Fourth, the careful business man increases the stability of his business by adding something to his surplus or undivided profits.

The operating statistics of the United Steel Corporation for 1918 illustrate the principle:

1. Gross Receipts.....	\$1,744,312,163
Manufacturing and Operating expenses including ordinary repairs.....	1,178,032,665
2. Gross Earnings	\$ 566,279,498
Other income.....	40,474,823
	\$ 606,754,321
General Expense, (including commission and selling expense, taxes, etc.)	337,077,986
Interest, depreciation, sinking fund, etc.	144,358,958
3. Net Income	\$ 125,317,377
Dividends	96,382,027
4. Surplus for the year.....	\$ 28,935,350
Total surplus.....	460,596,154

Like every carefully handled business, the Steel Corporation,—

1. Paid its running expenses,
2. Paid its fixed obligations,
3. Divided up its profits,
4. And kept a nest egg.

The effectiveness of such means of stabilizing property income is illustrated by a compilation (published in the *Wall Street Journal* for August 7th, 1919) of the business of 104 American corporations between December 31, 1914, and December 31, 1918. The inventories—value of property owned—had increased from 1,192 millions to 2,624 millions of dollars; the gain in surplus, during the four years,

was 1,941 millions; the increase in "working capital" was 1,876 millions. These corporations, representing only a small fraction of the total business of the country, had added billions to their property values during the four years.

These various items,—up-keep; depreciation; insurance; taxes; interest; dividends and surplus,—are recognized universally by legislatures and courts as "legitimate" outlays. They, therefore, are elements that are always present in the computation of a "fair" price. The cost to the consumer of coffee, shoes, meat, blankets, coal and transportation are all figured on such a basis. Hence, it will be seen that each time the consumer buys a pair of shoes or a pound of meat, he is paying, with part of his money, for the stabilizing of property.

Fifth. Property titles under this system are rendered immortal. A thousand dollars, invested in 1880 in 5 per cent. 40 year bonds, will pay to the owner \$2,000 in interest by 1920, at which time the owner gets his original thousand back again to be re-invested so long as he and his descendants care to do so. The dollar, invested in the business of the steel corporation, by the technical processes of book-keeping, is constantly renewed. Not only does it pay a return to the owner, but literally, it never dies.

The community is built upon labor. Its processes are continued and its wealth is re-created by labor. The men who work on the railroad keep the road operating; those who own the railroad owe to it no personal fealty, and perform upon it no personal service. If the worker dies, the train must stop until he is replaced; if the owner dies, the clerk records a change of name in the registry books.

The well-ordered society will encourage work. It will aim to develop enthusiasm, to stimulate activity. Nevertheless, in "practical America" a scheme of economic organization is being perfected under which the cream of life goes to the owners. They have the amplest opportunities. They enjoy the first fruits.

4. *Property Rights and Civilization*

Under these circumstances, it is easy to see how "the rights of property" soon comes to mean the same thing as "civilization," and how "the preservation of law and order" is always interpreted as the protection of property. With a community organized on a basis which renders property rights supreme in all essential particulars, it is but natural that the perpetuation of these rights should be regarded as the perpetuation of civilization itself.

The present organization of economic life in the United States permits the wealth owners through their ownership to live without doing any work upon the work done by their fellows. As recipients of property income (rent, interest and dividends) they have a return for which they need perform no service,—a return that allows them to "live on their income."

The man who fails to assist in productive activity gives nothing of himself in return for the food, clothing and shelter which he enjoys,—that is, he lives on the labor of others. Where some have sowed and reaped, hammered and drilled, he has regaled himself on the fruits of their toil, while never toiling himself.

The matter appears most clearly in the case of an heir to an estate. The father dies, leaving his son the title deeds to a piece of city land. If he has no confidence in his son's business ability or if his son is a minor, he may leave the land in trust, and have it administered in his son's interest by some well organized trust company. The father did not make the land, though he did buy it. The son neither made nor bought the land, it merely came to him; and yet each year he receives a rent-payment upon which he is able to live comfortably without doing any work. It must at once be apparent that this son of his father, economically speaking, performs no function in the community, but merely takes from the community an annual toll or rental based on his ownership of a part of the

land upon which his fellowmen depend for a living. Of what will this toll consist? Of bread, shoes, motor-cars, cigars, books and pictures,—the products of the labor of other men.

This son of his father is living on his income,—supported by the labor of other people. He performs no labor himself, and yet he is able to exist comfortably in a world where all of the things which are consumed are the direct or indirect product of the labor of some human being.

Living on one's income is not a new social experience, but it is relatively new in the United States. The practice found a reasonably effective expression in the feudalism of medieval Europe. It has been brought to extraordinary perfection under the industrialism of Twentieth Century America.

Imagine the feelings of the early inhabitants of the American colonies toward those few gentlemen who set themselves up as economically superior beings, and who insisted upon living without any labor, upon the labor performed by their fellows. It was against the suggestion of such a practice that Captain John Smith vociferated his famous "He that will not work, neither shall he eat." The suggestion that some should share in the proceeds of community life without participating in the hardships that were involved in making a living seemed preposterous in those early days.

To-day, living on one's income is accepted in every industrial center of the United States as one of the methods of gaining a livelihood. Some men and women work for a living. Other men and women own for a living.

Workers are in most cases the humble people of the community. They do not live in the finest homes, eat the best food, wear the most elaborate clothing, or read, travel and enjoy the most of life.

The owners as a rule are the well-to-do part of the community. They derive much of all of their income from

investments. The return which they make to the community in services is small when compared with the income which they receive from their property holdings.

Living on one's income is becoming as much a part of American economic life as living by factory labor, or by mining, or by manufacturing, or by any other occupation upon which the community depends for its products. The difference between these occupations and living on one's income is that they are relatively menial, and it is relatively respectable, that is, they have won the disapprobation and it has won the approbation of American public opinion.

The best general picture of the economic situation that permits a few people to live on their incomes, while the masses of the people work for a living, is contained in the reports of the Federal Commissioner of Internal Revenue. The figures for 1917 ("Statistics of Income for 1917" published August 1919) show that 3,472,890 persons filed returns, making one for each six families in the United States. Almost one half of the total number of returns made in 1917 were from persons whose income was between \$1000 and \$2000. There were 1,832,132 returns showing incomes of \$2000 or more, one for each twelve families in the country.

The number of persons receiving the higher incomes is comparatively small. There were 270,666 incomes between \$5,000 and \$10,000; 30,391 between \$10,000 and \$25,000; 12,439 between \$25,00 and \$50,000. There were 432,662 returns (22 for each 1000 families in the United States) showing incomes of \$5,000 or over; there were 161,996 returns (8 returns for each 1000 families) showing incomes of \$10,000 or over; 49,494 showing incomes of \$25,000 and over; 19,103 showing incomes of \$50,000 and more. Thus the number of moderate and large incomes, compared with the total population of the country, was minute.

The portion of the report that is of particular interest, in so far as the present study is concerned, is that which presents a division of the total net income of those reporting \$2,000 or more, into three classes—income from per-

sonal service, income from business profits and income from the ownership of property.

PERSONAL INCOMES BY SOURCES—1917

<i>Source</i>	<i>Amount of Income</i>	<i>Per Cent of Total Income</i>
1. Income from personal service; salaries, wages; commission, bonuses, director's fees, etc.....	\$ 3,648,437,902	30.21
2. Income from business; business, trade, commerce, partnership, farming, and profits from sales of real estate, stocks, bonds, and other property.....	3,958,670,028	32.77
3. Income from property; rents and royalties.....	684,343,399	5.67
Interest on bonds, notes, etc.	936,715,456	7.76
Dividends	2,848,842,499	23.59
Total from Property.....	4,469,901,354	37.02
4. Total income.....	12,077,009,284	100.00

Those persons who have incomes of \$2,000 or more receive 30 cents on the dollar in the form of wages and salaries; 33 cents in the form of business profits, and 37 cents in the form of incomes from the ownership of property. The dividend payments alone—to this group of property owners, are equal to three quarters of the total returns for personal service.

These figures refer, of course, to all those in receipt of \$2,000 or more per year. Obviously, the smaller incomes are in the form of wages, salaries, and business profits, while the larger incomes take the form of rent, interest and dividends. This is made apparent by a study of the detailed tables published in connection with the "Income Statistics for 1916."

Among those of small incomes—\$5,000 to \$10,000—nearly half of the income was derived from personal services. The proportion of the income resulting from personal service diminished steadily as the incomes rose until, in the highest income group—those receiving \$2,000,000 or more per year, less than one-half of one per cent. was the result of personal service while more than 99 per cent. of the incomes came from property ownership.

A small portion of the American people are in receipt of incomes that necessitate a report to the revenue officers. Among those persons, a small number are in receipt of incomes that might be termed large—incomes of \$10,000 or over, for example. Among these persons with large incomes the majority of the income is secured in the form of rent, interest, dividends and profits. The higher the income group, the larger is the percentage of the income that comes from property holdings.

The economic system that exists at the present time in the United States places a premium on property ownership. The recipients of the large incomes are the holders of the large amounts of property.

Large incomes are property incomes. The rich are rich because they are property owners. Furthermore, the organization of present-day business makes the owner of property more secure—far more secure in his income, than is the worker who produces the wealth out of which the property income is paid.

5. *Plutocracy*

The owning class in the United States is established on an economic basis,—the private ownership of the earth. No more solid foundation for class integrity and class power has ever been discovered.

The owners of the United States are powerfully entrenched. Operating through the corporation, its members have secured possession of the bulk of the more useful

resources, the important franchises and the productive capital. Where they do not own outright, they control. The earth, in America, is the landlords and the fullness thereof. They own the productive machinery, and because they own they are able to secure a vast annual income in return for their bare ownership.

Families which enjoy property income have one great common interest—that of perpetuating and continuing the property income; hence the “cohesion of wealth.” “The cohesion of wealth” is a force that welds individuals and families who receive property income into a unified group or class.

The cohesion of wealth is a force of peculiar social significance. It might perhaps be referred to as the class consciousness of the wealthy except that it manifests itself among people who have recently acquired wealth, more violently, in some cases, than it appears among those whose families have possessed wealth for generations. Then, the cohesion of wealth is not always an intelligent force. In the case of some persons it is largely instinctive.

Originally, the cohesion of wealth expresses itself instinctively among a group of wealth owners. They may be competing fiercely as in the case of a group of local banks, department stores, or landlords, but let a common enemy appear, with a proposition for currency reform, labor legislation or land taxation and in a twinkling the conflicting interests are thrown to the winds and the property owners are welded into a coherent, unified group. This is the beginning of a wealth cohesion which develops rapidly into a wealth consciousness.

American business, a generation ago, was highly competitive. Each business man's hand was raised against his neighbor and the downfall of one was a matter of rejoicing for all. The bitter experience of the nineties drove home some lessons; the struggles with labor brought some more; the efforts at government regulations had their effect; but most of all, the experience of meeting with men in various

lines of business and discussing the common problems through the city, state and national and business organizations led to a realization of the fact that those who owned and managed business had more in common than they had in antagonism. By knifing one another they made themselves an easy prey for the unions and the government. By pooling ideas and interests they presented a solid front to the demands of organized labor and the efforts of the public to enforce regulation

“Plutocracy” means control by those who own wealth. The “plutocratic class” consists of that group of persons who control community affairs because they own property. This class, because of its property ownership, is compelled to devote time and infinite pains to the task of safeguarding the sacred rights of property. It is to that task that the leaders of the American plutocracy have committed themselves, and it is from the results of that accomplished work that they are turning to new labors.

X. INDUSTRIAL EMPIRES

1. *They Cannot Pause!*

THE foundations of Empire have been laid in the United States. Territory has been conquered; peoples have been subjugated or annihilated; an imperial class has established itself. Here are all of the essential characteristics of empire.

The American people have been busy laying the political foundations of Empire for three centuries. A great domain, taken by force of arms from the people who were in possession of it has been either incorporated into the Union, or else held as dependent territory. The aborigines have disappeared as a race. The Negroes, kidnaped from their native land, enslaved and later liberated, are still treated as an inferior people who should be the hewers of wood and the drawers of water. A vast territory was taken from Mexico as a result of one war. A quarter million square miles were secured from Spain in another; on the Continent three and a half millions of square miles; in territorial possessions nearly a quarter of a million more—this is the result of little more than two hundred years of struggle; this is the geographic basis for the American Empire.

The structure of owning class power is practically complete in the United States. Through long years the business interests have evolved a form of organization that concentrates the essential power over the industrial and financial processes in a very few hands,—the hands of the investment bankers. During this contest for power the plutocracy learned the value of the control of public opinion, and brought the whole machinery for the direction of public affairs under its domination. Thus political and social institutions as well as the processes of economic life were

made subject to plutocratic authority. A hundred years has sufficed to promulgate ideas of the sacredness of private property that place its preservation and protection among the chief duties of man. Economic organization; the control of all important branches of public affairs, and the elevation of property rights to a place among the beatitudes—by these three means was the authority of the plutocracy established and safeguarded.

Since economic political and social power cover the field of authority that one human being may exercise over another, it might be supposed that the members of the plutocratic class would pause at this point and cease their efforts to increase power. But the owners cannot pause! A force greater than their wills compels them to go on at an ever growing speed. Within the vitals of the economic system upon which it subsists the plutocracy has found a source of never-ending torment in the form of a constantly increasing surplus.

2. The Knotty Problem of Surplus

The present system of industry is so organized that the worker is always paid less in wages than he creates in product. A part of this difference between product and wages goes to the upkeep and expansion of the industry in which the worker is employed. Another part in the form of interest, dividends, rents, royalties and profits, goes to the owners of the land and productive machinery.

The values produced in industry and handed to the industrial worker or property owner in the form of income, may be used or "spent" either for "consumption goods"—things that are to be used in satisfying human wants, such as street car transportation, clothing, school books, and smoking tobacco; or for production goods—things that are to be used in the making of wealth, such as factory buildings, lathes, harvesting machinery, railroad equipment. Those who have small incomes necessarily spend the greater

part for the consumption of goods upon which their existence depends. On the other hand, those who are in receipt of large incomes cannot use more than a limited amount of consumption goods. Therefore, they are in a position to turn part of their surplus into production goods. As a reward for this "saving" the system gives them title to an amount of wealth equal to the amount saved, and in addition, it grants an amount of "interest" so that the next year the recipient of surplus gets the regular share of surplus, and beside that an additional reward in the form of interest. His share of the surplus is thus increased. That is, surplus breeds surplus.

The workers are, for the most part, spenders. The great bulk of their income is turned at once into consumption goods. The owners in many instances are capitalists who hold property for the purpose of turning the income derived from it into additional investments.

Could the worker buy back dollar for dollar the values which he produces there would be no surplus in the form of rent, interest, dividends and profits. The present economic system is, however, built upon the principle that those who own the lands and the productive machinery should be recompensed for their mere ownership. It follows, of course, that the more land and machinery there is to own the greater will be the amount of surplus which will go to the owners. Since surplus breeds surplus the owners find that it pays them not to use all of their income in the form of consumption, but rather to invest all that they can, thereby increasing the share of surplus that is due them. The worker, on the other hand, finds that he must produce a constantly larger amount of wealth which he never gets, but which is destined for the payment of rent, interest, dividends and profits. Increased incomes yield increased investments. Increased investments necessitate the creation and payment of increased surplus. The payment of increased surplus means increased incomes. Thus the circle is continued—with the returns heaping up in the coffers of the plutocracy.

Originally the surplus was utilized to free the members of the owning class from the grinding drudgery of daily toil, by permitting them to enjoy the fruits of the labor of others. Then it was employed in the exercise of power over the economic and social machinery. But that was not the end—instead it proved only the beginning. As property titles were concentrated in fewer and fewer hands, and the amount of property owned by single individuals or groups of individuals becomes greater, their incomes (chiefly in the form of rent, interest, dividends and profits) rose until by 1917 there were 19,103 persons in the United States who declared incomes of \$50,000 or more per year, which is the equivalent of \$1,000 per week. Among these persons 141 declared annual incomes of over \$1,000,000. Besides these personal incomes, each industry which paid these dividends and profits, through its depreciation, amortization, replacement, new construction, and surplus funds was reinvesting in the industries billions of wealth that would be used in the creation of more wealth. The normal processes of the growth of the modern economic system has forced upon the masters of life the problem of disposing of an ever increasing amount of surplus.

During prosperous periods, the investment funds of a community like England and the United States grow very rapidly. The more prosperous the nation, the greater is the demand from those who cannot spend their huge incomes for safe, paying investment opportunities.

The immense productivity of the present-day system of industry has added greatly to the amount of surplus seeking investment. Each invention, each labor saving device, each substitution of mechanical power that multiplies the productive capacity of industry at the same time increases the surplus at the disposal of the plutocracy.

The surplus must be disposed of. There is no other alternative. If hats, flour and gasoline are piled up in the warehouses or stored in tanks, no more of these commodities will be made until this surplus has been used. The whole economic system proceeds on the principle that for each

commodity produced, a purchaser must be found before another unit of the commodity is ordered. Demand for commodities stimulates and regulates the machinery of production.

Those in control of the modern economic system have no choice but to produce surplus, and once having produced it, they have no choice except to dispose of it. An inexorable fate drives them onward—augmenting their burdens as it multiplies their labors.

Investment opportunities, of necessity, are eagerly sought by the plutocracy, since the law of their system is “Invest or perish” !

Invest? Where? Where there is some demand for surplus capital—that is in “undeveloped countries.”

The necessity for disposing of surplus has imposed upon the business men of the world a classification of all countries as “developed” or “undeveloped.” “Developed” countries are those in which the capitalist processes have gone far enough to produce a surplus that is sufficient to provide for the upkeep and for the normal expansion of industry. In “developed” countries mines are opened, factories are built, railroads are financed, as rapidly as needed, out of the domestic industrial surplus. “Undeveloped” countries are those which cannot produce sufficient capital for their own needs, and which must, therefore, depend for industrial expansion upon investments of capital from the countries that do produce a surplus.

“Developed” countries are those in which the modern industrial system has been thoroughly established.

The contrast between developed and undeveloped countries is made clear by an examination of the investments of any investing nation, such as Great Britain. Great Britain in 1913 was surrounded by rich, prosperous neighbors—France, Germany, Holland, Belgium. Each year about a billion dollars in English capital was invested outside of the British Isles. Where did this wealth go? The chief objectives of British investment, aside from the

British Dominions and the United States, were (stated in millions of pounds) Argentine 320; Brazil 148; Mexico 99; Russia 67; France 8 and Germany 6. The wealth of Germany or France is greater than that of Argentine, Brazil and Mexico combined, but Germany and France were developed countries, producing enough surplus for their own needs, and, therefore, the investable wealth of Great Britain went, not to her rich neighbors, but to the poorer lands across the sea.

Each nation that produces an investable surplus—and in the nature of the present economic system, every capitalist nation must some day reach the point where it can no longer absorb its own surplus wealth—must find some undeveloped country in which to invest its surplus. Otherwise the continuity of the capitalist world is unthinkable. Great Britain, Belgium, Holland, France, Germany and Japan all had reached this stage before the war. The United States was approaching it rapidly.

3. *“Undeveloped Countries”*

Capitalism is so new that the active struggle to secure investment opportunities in undeveloped countries is of the most recent origin. The voyages which resulted in the discovery, by modern Europeans, of the Americas, Australia, Japan, and an easy road to the Orient, were all made within 500 years. The actual processes of capitalism are products of the past 150 years in England, where they had their origin. In France, Germany, Italy and Japan they have existed for less than a century. The great burst of economic activity which has pushed the United States so rapidly to the fore as a producer of surplus wealth dates from the Civil War. Only in the last generation did there arise the financial imperialism that results from the necessity of finding a market for investable surplus.

The struggle for world trade had been waged for centuries before the advent of capitalism, but the struggle for in-

vestment opportunities in undeveloped countries is strictly modern. The matter is strikingly stated by Amos Pinchot in his "Peace or Armed Peace" (Nov. 11, 1918).

"If you will look at the maps following page 554 of Hazen's 'Europe since 1815,' or any other standard colored map showing Africa and Asia in 1884, you will see that, but for a few rare spots of coloration, the whole continent of Africa is pure white. Crossing the Red Sea into Arabia, Persia, Mesopotamia and Asia Minor, you will find the same or rather a more complete lack of color. This is merely the cartographer's way of showing, by tint and lack of tint, that at that time Africa and Western Asia were still in the hands of their native populations.

"Let us now turn to the same maps thirty years later, i.e., in 1914. We find them utterly changed. They are no longer white, but a patch work of variegated hues. . . .

"From 1870 to 1900, Great Britain added to her possessions, to say nothing of her spheres of influence, nearly 5,000,000 square miles with an estimated population of 88,000,000. Within a few years after England's permanent occupation of Egypt, which was the signal for the renaissance of French colonialism, France increased hers by 3,500,000 square miles with a population of 37,000,000, not counting Morocco added in 1911. Germany, whose colonialism came later, because home and nearby markets longer absorbed the product of her machines, brought under her dominion from 1884 to 1899 1,000,000 square miles with an estimated population of 14,000,000."

This is a picture of the political effects that followed the economic causes summed up in the term "financial imperialism."

In the seventeenth and eighteenth centuries it was the trader, dealing in raw stuff; in the nineteenth century it was the manufacturer, producing at low cost to cut under his neighbor's price. During the past thirty years the investment banker has occupied the foreground with his efforts to find safe, paying opportunities for the disposal of

the surplus committed to his care. British bankers, French bankers, German bankers, Belgian bankers, Dutch bankers—all intent upon the same mission—because behind all, and relentlessly driving, were the accumulating surpluses, demanding an outlet. European bankers found that outlet in Africa, Asia, Australia and the Americas. The stupendous strides in the development of the resources in these countries would have been impossible but for that surplus of European capital.

The undeveloped countries to-day have the same characteristics,—virgin resources, industrial and commercial possibilities, and in many cases cheap labor. This is true, for example, in China, Mexico and India. It is true to a less extent in South America and South Africa. The logical destination of capital is the point where the investment will “pay.”

The investor who has used up the cream of the home investment market turns his eyes abroad. As a recent writer has suggested, “There is a glamor about the foreign investment” which does not hold for a domestic one. Foreign investments have yielded such huge returns in the past that there is always a seeming possibility of wonderful gains for the future. The risk is greater, of course, but this is more than offset by the increased rate of return. If it were not so, the wealth would be invested at home or held idle.

4. The Great Investing Nations

The great industrial nations are the great investing nations. An agriculture community produces little surplus wealth. Land values are low, franchises and special privileges are negligible factors. There can be relatively little speculation. Changes in method of production are infrequent. Changes in values and total wealth are gradual. The owning class in an agriculture civilization may live comfortably. If it is very small in proportion to the total population it may live luxuriously, but it cannot derive

great revenues such as those secured by the owning classes of an industrial civilization.

Industrial civilization possesses all of the factors for augmenting surplus wealth which are lacking in agricultural civilizations. Changes in the forms of industrial production are rapid; special privilege yields rich returns and is the subject of wide speculative activity; land values increase; labor saving machinery multiplies man's capacity to turn out wealth. As much surplus wealth might be produced in a year of this industrial life as could have been turned out in a generation or a century of agricultural activity or of hand-craft industry.

England, France, Germany, Holland, Belgium, Japan and the United States, the great industrial nations, have become the great lending nations. Their search for "undeveloped territory" and "spheres of influence" is not a search for trade, but for an opportunity to invest and exploit. If these nations wished to exchange cotton for coffee, or machinery for wheat on even terms, they could exchange with one another, or with one of the undeveloped countries, but they demand an outlet for surplus wealth—an outlet that can only be utilized where the government of the developed country will guarantee the investment of its citizens in the undeveloped territory.

The investing nations either want to take the raw products of the undeveloped country, manufacture them and sell them back as finished material (the British policy in India), or else they desire to secure possession of the resources, franchises and other special privileges in the undeveloped country which they can exploit for their own profit (the British policy in South America).

The Indians, under the British policy, are thus in relatively the same position as the workers in one of the industrial countries. They are paid for their raw material a fraction of the value of the finished product. They are expected to buy back the finished product, which is a manifest impossibility. There is thus a drastic limitation on the

exploitation of undeveloped countries, just as there is a limitation on the exploitation of domestic labor. In both cases the people as consumers can buy back less in value than the exploiters have to sell. Obviously the time must come when all the undeveloped sections of the world have been exploited to the limit. Then surplus will go a-begging.

Some of the investors in the great exploiting nations have abandoned the idea of making huge returns by way of the English policy in India. Instead the investors in every nation are buying up resources, franchises and concessions and other special privileges in the undeveloped countries and treating them in exactly the same way that they would treat a domestic investment. In this case the resources and labor of the undeveloped country are exploited for the profit of the foreign investor.

The Roman conquerors subjugated the people politically and then exacted an economic return in the form of tribute. The modern imperialists do not bother about the political machinery, so long as it remains in abeyance, but content themselves with securing possession of the economic resources of a region and exacting a return in interest and dividends on the investment. Political tribute is largely a thing of the past. In its place there is a new form—economic tribute—which is safer, cheaper, and on the whole far superior to the Roman method of exploiting undeveloped regions.

5. The American Home Field

A hundred years ago the United States was an undeveloped country. Its resources were virgin. Its wealth possibilities were immense. Both domestic and foreign capitalists invested large sums in the canals, the railroads and other American commercial and industrial enterprises. The rapid economic expansion of recent years has involved the outlay of huge sums of new capital.

The total capital invested in manufactures was 8,975 millions in 1899 and 22,791 millions in 1914. The total

of railway capital was 11,034 millions in 1899 and 20,247 millions in 1914. Manufacturing and railroading alone secured a capital outlay of over 20 billions in 15 years. Some idea of the increase in investments may be gained from the amount of new stocks and bonds listed annually on the New York Stock Exchange. The total amount of new stocks listed for the five years ending with 1914 was 1,420 millions; the total of new bonds was 2,226 million. (*The Financial Review Annual*, 1918, p. 67.) The total capital of new companies (with an authorized capital of at least \$100,000) was in 1918, \$2,599,753,600; in 1919, \$12,677,229,600, and in the first 10 months of 1920, \$12,242,577,700. (Bradstreets, Nov. 6, 1920, p. 731.) The figures showing the amount of stocks and bonds issued do not by any means exhaust the field of new capital. Reference has already been made to the fact that the United States Steel Corporation, between 1903 and 1918 increased its issues of stocks and bonds by only \$31,600,000, while, in the same time its assets increased \$987,000,000. The same fact is illustrated, on a larger scale, in a summary (*Wall Street Journal*, August 7, 1919) of the finances of 104 corporations covering the four years, December 31, 1914, to December 31, 1918. During this time, six of the leading steel companies of the United States increased their working capital by \$461,965,000 and their surplus by \$617,656,000. This billion was taken out of the earnings of the companies. Concerning the entire 104 corporations, the *Journal* notes that, "After heavy expenditures for new construction and acquisitions, and record breaking dividends, they added a total of nearly \$2,000,000,000 to working capital." In addition, these corporations, in four years, showed a gain of \$1,941,498,000 in surplus and a gain in inventories of \$1,522,000,000.

Considerable amounts of capital are invested in private industry, by individuals and partnerships. No record of these investments ever appears. Farmers invest in animals, machinery and improved buildings—investments that are not represented by stocks or bonds. Again, the great corporations themselves are constantly adding to their as-

sets without increasing their stock or bond issues. In these and other ways, billions of new capital are yearly absorbed by the home investment market.

Although most of the enterprises of the United States have been floated with American capital, the investors of Great Britain, Holland, France and other countries took a hand. In 1913 the capitalists of Great Britain had larger investments in the United States than in any other country, or than in any British Dominion. (The U. S., 754,617,000 pounds; Canada and Newfoundland, 514,870,000 pounds; India and Ceylon, 378,776,000 pounds; South Africa, 370,192,000 pounds and so on. (*Annals*, 1916, Vol. 68, p. 28, Article by C. K. Hobson.) The aggregate amount of European capital invested in the United States was approximately \$6,500,000,000 in 1910. Of this sum more than half was British. ("Trade Balance of the United States," George Paisch. National Monetary Commission, 1910, p. 175.)

By the beginning of the present century (the U. S. Steel Corporation was organized in 1901) the main work of organization inside of the United States was completed. The bankers had some incidental tasks before them, but the industrial leaders themselves had done their pioneer duty. There were corners to be smoothed off, and bearings to be rubbed down, but the great structural problems had been solved, and the foundations of world industrial empire had been laid.

6. *Leaving the Home Field*

The Spanish-American War marks the beginning of the new era in American business organization. This war found the American people isolated and provincial. It left them with a new feeling for their own importance.

The worlds at home had been conquered. The trans-continental railroads had been built; the steel industry, the oil industry, the coal industry, the leather industry, the woolen industry and a host of others had been organized

by a whole generation of industrial organizers who had given their lives to this task.

Across the borders of the United States—almost within arm's reach of the eager, stirring, high-strung men of the new generation, there were tens of thousands of square miles of undeveloped territory—territory that was fabulously rich in ore, in timber, in oil, in fertility. On every side the lands stretched away—Mexico, the West Indies, Central America, Canada—with opportunity that was to be had for the taking.

Opportunity called. Capital, seeking new fields for investment, urged. Youth, enthusiasm and enterprise answered the challenge.

The foreign investments of the United States at the time of the Spanish-American War were negligible. By 1910 American business men had two billions invested abroad—\$700,000,000 in Mexico; \$500,000,000 in Canada; \$350,000,000 in Europe, and smaller sums in the West Indies, the Philippines, China, Central and South America. In 1913 there was a billion invested in Mexico and an equal amount in Canada. ("Commercial Policy," W. S. Culbertson, New York, Appleton, 1919, p. 315.)

Capital flowed out of the United States in two directions:

1. Toward the resources which were so abundant in certain foreign countries.
2. Toward foreign markets.

7. Building on Foreign Resources

The Bethlehem Steel Corporation is a typical industry that has built up foreign connections as a means of exploiting foreign resources. The Corporation has a huge organization in the United States which includes 10 manufacturing plants, a coke producing company, 11 ship building plants, six mines and quarries, and extensive coal deposits in Pennsylvania and West Virginia. The Bethlehem Steel Corporation also controls ore properties near San-

tiago, Cuba, near Nipe Bay, Cuba, and extensive deposits along the northern coast of Cuba; large ore properties at Tofo, Chile, and the Ore Steamship Corporation, a carrying line for Chilean and Cuban ore.

The American Smelting and Refining Company is another illustration of expansion into a foreign country for the purpose of utilizing foreign resources. According to the record of the Company's properties, the Company was operating six refining plants, one located in New Jersey; one in Nebraska; one in California; one in Illinois; one in Maryland, and one in Washington. The Company owned 14 lead smelters and 11 copper smelters, located as follows: Colorado, 4; Utah, 2; Texas, 2; Arizona, 2; New Jersey, 2; Montana, 1; Washington, 1; Nebraska, 1; California, 1; Illinois, 1; Chile, 2; Mexico, 6. Among these 25 plants a third is located outside of the United States.

These are but two examples. The rubber, oil, tobacco and sugar interests have pursued a similar policy—extending their organization in such a way as to utilize foreign resources as a source for the raw materials that are destined to be manufactured in the United States.

8. Manufacturing and Marketing Abroad

The Bethlehem Steel Corporation and the American Smelting and Refining Company go outside of the United States for the resources upon which their industries depend. Their fabricating industries are carried on inside of the country. There are a number of the great industries of the country that have gone outside of the United States to do their manufacturing and to organize the marketing of their products.

The International Harvester Company has built a world-wide organization. It manufactures harvesting machinery, farm implements, gasoline engines, tractors, wagons and separators at Springfield, Ohio; Rock Falls, Ill.; Chicago, Ill.; Auburn, New York; Akron, Ohio; Milwaukee, Wisc.,

and West Pullman, Ill. It has iron mines, coal mines and steel plants operated by the Wisconsin Steel Company. It has three twine mills and four railways. Foreign plants and branches are listed as follows: Norrköping, Sweden; Copenhagen, Denmark; Christiania, Norway; Paris, France; Croix, France; Berlin, Germany; Hamilton, Ontario, Canada; Zurich, Switzerland; Vienna, Austria; Lubertzy, Russia; Neuss, Germany; Melbourne, Australia; London, England; Christ Church, New Zealand.

One of the greatest industrial empires in the world is the Standard Oil Properties. It is not possible to go into detail with regard to their operations. Space will admit of a brief comment upon one of the constituent parts or "states" of the empire—The Standard Oil Company of New Jersey. With a capital stock of \$100,000,000, this Company, from the dissolution of the Standard Oil Company, December 15, 1911, to June 15, 1918, a period of six and a half years, paid dividends of \$174,058,932.

The company describes itself as "a manufacturing enterprise with a large foreign business. The company drills oil wells, pumps them, refines the crude oil into many forms and sells the product—mostly abroad." (*The Lamp*, May, 1918.) The properties of the Company are thus listed:

1. The Company has 13 refineries, seven of them in New Jersey, Maryland, Oklahoma, Louisiana and West Virginia. Four of the remaining refineries are located in Canada, one is in Mexico and one in Peru.

2. Pipeline properties in New York, New Jersey, Pennsylvania and Maryland.

3. A fleet of 54 ocean-going tank steamers with a capacity of 486,480 dead weight tons. (This is about two per cent of the total ocean-going tonnage of the world.)

4. Can and case factories, barrel factories, canning plants, glue factories and pipe shops.

5. Through its subsidiary corporations, the Company controls:

a. Oil wells in Pennsylvania, West Virginia, Ohio, Kentucky, Louisiana, Arkansas, Mississippi, Texas, California, Peru and Mexico. In connection with many of these properties refineries are operated.

b. One subsidiary has 550 marketing stations in Canada. Others market in various parts of the United States; in the West Indies; in Central and South America; in Germany, Austria, Roumania, the Netherlands, France, Denmark and Italy.

The Standard Oil Company of New Jersey comprises only one part—though a very successful part—of the Standard Oil Group of industries. It is one industrial state in a great industrial empire.

Foreign resources offer opportunities to the exploiter. Foreign markets beckon. Both calls have been heeded by the American business interests that are busy building the international machinery of business organization.

9. *International Business and Finance*

The steel, smelting, oil, sugar, tobacco, and harvester interests are confined to relatively narrow lines. In their wake have followed general business, and above all, financial activities.

The American International Corporation was described by its vice-president (Mr. Connick) before a Senate Committee on March 1, 1918. "Until the Russian situation became too acute, they had offices in Petrograd, London, Paris, Rome, Mexico City. They sent commissions and agents and business men to South America to promote trade. . . . They were negotiating contracts for a thousand miles of railroad in China. They were practically rebuilding, you might say, the Grand Canal in China. They had acquired the Pacific Mail. . . . They then bought the New York Shipbuilding Corporation to provide ships for their shipping interests."

By 1919 (*New York Times*, Oct. 31, 1919) the Company had acquired Carter Macy & Co., and the Rosin and Turpentine Export Co., and was interested in the International Mercantile Marine and the United Fruit Companies.

Another illustration of the same kind of general foreign business appeared in the form of an advertisement inserted on the financial page of the *New York Times* (July 10, 1919) by three leading financial firms, which called attention to a \$3,000,000 note issue of the Haytian American Corporation "Incorporated under the laws of the State of New York, owning and operating sugar, railroad, wharf and public utility companies in the Republic of Hayti." Further, the advertisers note: "The diversity of the Company's operations assures stability of earnings."

American manufacturers, traders and industrial empire builders have not gone alone into the foreign field. The bankers have accompanied them.

Several of the great financial institutions of the country are advertising their foreign connections.

The Guaranty Trust Company (*New York Times*, Jan. 10, 1919) advertises under the caption "Direct Foreign Banking Facilities" offering "a direct and comprehensive banking service for trade with all countries." These connections include:

1. Branches in London and Paris, which are designated United States depositories. "They are American institutions conducted on American lines, and are especially well equipped to render banking service throughout Europe." There are additional branches in Liverpool and Brussels. The Company also has direct connections in Italy and Spain, and representatives in the Scandinavian countries.

2. "Direct connections with the leading financial institutions in Argentina, Uruguay, Chile, and Brazil." A special representative in Buenos Ayres. "Through our affiliation with the Mercantile Bank of the Americas and its connections, we cover Peru, Northern Brazil, Columbia,

Ecuador, Venezuela, Nicaragua, Honduras, Guatemala, and other South and Central American countries."

3. "Through the American Mercantile Bank of Cuba, at Havana, we cover direct Cuba and the West Indies."

4. "Direct banking and merchant service throughout British India," together with correspondents in the East Indies and the Straits Settlements.

5. "Direct connections with the National Bank of South Africa, at Cape Town, and its many branches in the Transvaal, Rhodesia, Natal, Mozambique, etc."

6. Direct banking connections and a special representative in Australia and New Zealand.

7. "Through our affiliations with the Asia Banking Corporation we negotiate, direct, banking transactions of every nature in China, Manchuria, Southeastern Siberia, and throughout the Far East. The Asia Banking Corporation has its main office in New York and is establishing branches in these important trade centers: Shanghai, Peking, Tientsin, Hankow, Harbin, Vladivostok. We are also official correspondents for leading Japanese banks."

The advertisement concludes with this statement: "Our Foreign Trade Bureau collects and makes available accurate and up-to-date information relating to foreign trade—export markets, foreign financial and economic conditions, shipping facilities, export technique, etc. It endeavors to bring into touch buyers and sellers here and abroad."

The same issue of the *Times* carries a statement of the Mercantile Bank of the Americas which "offers the services of a banking organization with branches and affiliated banks in important trade centers throughout Central and South America, France and Spain." The Bank describes itself as "an American Bank for Foreign trade." Among its eleven directors are the President and two Vice-Presidents of the Guaranty Trust Company.

The Asia Banking Corporation, upon which the Guaranty Trust Company relies for its Eastern connections, was organized in 1918 "to engage in international and foreign

banking in China, in the dependencies and insular possessions of the United States, and, ultimately in Siberia'' (*Standard Corporation Service*, May-August, 1918, p. 42). The officers elected in August 1918, were Charles H. Sabin, President of the Guaranty Trust Co., President; Albert Breton, Vice-President of the Guaranty Trust Co., and Ralph Dawson, Assistant Secretary of the Guaranty Trust Company, Vice-Presidents, and Robert A. Shaw, of the overseas division of the Guaranty Trust Company, Treasurer. Among the directors are representatives of the Bankers Trust Company and of the Mercantile Bank of the Americas.

10. *The National City Bank*

The National City Bank of New York—the first bank in the history of the Western Hemisphere to show resources exceeding one billion dollars—illustrates in its development the cyclonic changes that the past few years have brought into American business circles. The National City Bank, originally chartered in 1812, had resources of \$16,750,929 in 1879 and of \$18,214,823 in 1889. From that point its development has been electric. The resources of the Bank totaled 128 millions in 1899; 280 millions in 1909; \$1,039,418,324 in 1919. Between 1889 and 1899 they increased 600 per cent; between 1899 and 1919 they increased 700 per cent; during the 40 years from 1889 and 1919 the increase in resources exceeded six thousand per cent.

The organization of the Bank is indicative of the organization of modern business. Among the twenty-one directors, all of whom are engaged in some form of business enterprise, there are the names of William Rockefeller, Percy A. Rockefeller, J. Ogden Armour, Cleveland H. Dodge of the Phelps-Dodge Corporation, Cyrus H. McCormick of the International Harvester Co., Philip A. S. Franklin, President of the International Mercantile Marine Co.; Earl D. Babst, President of the American Sugar Refining Co.; Edgar Palmer, President of the New Jersey

Zinc Co.; Nathan C. Kingsbury, Vice-President of the Union Pacific Railroad Co., and Frank Krumball, Chairman of the Chesapeake & Ohio Railroad Co. Some of the most powerful mining, manufacturing, transportation and public utility interests in the United States are represented, directly or indirectly, in this list.

The domestic organization of the Bank consists of five divisions, each one under a vice-president. New York City constitutes the first division; the second division comprises New England and New York State outside of New York City; the three remaining divisions cover the other portions of the United States. Except for the size and the completeness of its organization, the National City Bank differs in no essential particulars from numerous other large banking institutions. It is a financial superstructure built upon a massive foundation of industrial enterprise.

The phase of the Bank's activity that is of peculiar significance at the present juncture is its foreign organization, all of which has been established since the outbreak of the European war.

The foreign business of the National City Bank is carried on by the National City Bank proper and the International Banking Corporation. The first foreign branch of the National City Bank was established at Buenos Aires on November 10th, 1914. On January 1st, 1919, the National City Bank had a total of 15 foreign branches; on December 31st, 1919, it had a total of 74 foreign branches.

The policy of the Bank in its establishment of foreign branches is described thus in its "Statement of Condition, December 31st, 1919": "The feature of branch development during the year was the expansion in Cuba, where twenty-two new branches were opened, making twenty-four in the island. Cuba is very prosperous, as a result of the expansion of the sugar industry, and as sugar is produced there under very favorable conditions economically, and the location is most convenient for supplying the United States, the industry is on a sound basis, and relations with the

United States are likely to continue close and friendly. Cuba is a market of growing importance to the United States, and the system of branches established by the Bank is designed to serve the trade between the two countries." The trader and the Banker are to work hand in hand.

The National City Bank has branches in Argentina, Brazil, Belgium, Chile, Colombia, Cuba, Italy, Porto Rico, Russia, Siberia, Spain, Trinidad, Uruguay and Venezuela, all of which have been established since 1914.

A portion of the foreign business of the National City Bank is conducted by the International Banking Corporation which was established in 1902 and which became a part of the National City Bank organization in 1915. The International Banking Corporation has a total of twenty-eight branches located in California, China, England, France, India, Japan, Java, Dominican Republic, Philippine Islands, Republic of Panama and the Straits Settlements. Under this arrangement, the financial relations with America are made by the National City Bank proper; while those with Europe and Asia are in the hands of the International Banking Corporation and the combination provides the Bank with 75 branches in addition to its vast organization within the United States.

The National City Bank of 1889, with its resources of eighteen millions, was a small affair compared with the billion dollar resources of 1920. Thirty years sufficed for a growth from youth to robust adulthood. Within five years, the Bank built up a system of foreign branches that make it one of the most potent States in the federation of international financial institutions.

11. *Onward*

Exploiters of foreign resources, manufacturers, traders and bankers have moved, side by side, out of the United States into the foreign field. Step by step they have advanced, rearing the economic structure of empire as they went.

The business men of the United States had no choice. They could not pause when they had spanned the continent. Ambition called them, surplus compelled them, profits lured them, the will to power dominated their lives. As well expect the Old Guard to pause in the middle of a charge—even before the sunken road at Waterloo—as to expect the business interests of the United States to cease their efforts and lay down their tools of conquest simply because they had reached the ocean in one direction. While there were left other directions in which there was no ocean; while other undeveloped regions offered the possibility of development, an inexorable fate—the fate inherent in the economic and the human stuff with which they were working compelled them to cry “Onward!” and to turn to the tasks that lay ahead.

The fathers and grandfathers of these Twentieth Century American Plutocrats, working coatless in their tiny factories; managing their corner stores; serving their local banks, and holding their minor offices had never dreamed of the destiny that lay ahead. No matter. The necessity for expansion had come and with it came the opportunity. The economic pressure complemented the human desire for “more.” The structure of business organization, which was erected to conquer one continent could not cease functioning when that one continent was subdued. Rather, high geared and speeded up as it was, it was in fine form to extend its conquests, like the well groomed army that has come scatheless through a great campaign, and that longs, throughout its tensely unified structure to be off on the next mission.

The business life of the United States came to the Pacific; touched the Canadian border; surged against the Rio Grande. The continent had been spanned; the objective had been attained. Still, the cry was “Onward!”

Onward? Whither?

Onward to the lands where resources are abundant and rich; onward where labor is plentiful, docile and cheap; on-

ward where the opportunities for huge profits are met with on every hand; onward into the undeveloped countries of the world.

The capitalists of the European nations, faced by a similar necessity for expansion, had been compelled to go half round the earth to India, to South Africa, to the East Indies, to China, to Canada, to South America. Close at home there was no country except Russia that offered great possibilities of development.

The business interests of the United States were more fortunate. At their very doors lay the opportunitieis—in Canada, in Mexico, in the West Indies, in Central and South America. Here were countries with the amplest, richest resources; countries open for capitalist development. To be sure these investment fields had been invaded already by foreign capitalists—British, German, Belgian and Spanish. But at the same time they were surrounded by a tradition of great virility and power—the tradition of “America for the Americans.”

XI. THE GREAT WAR

1. *Daylight*

THE work of industrial empire building had continued for less than half a century when the United States entered the Great War, which was one in a sequence of events that bound America to the wheel of destiny as it bound England and France and Germany and Japan and every other country that had adopted the capitalist method of production.

The war-test revealed the United States to the world and to its own people as a great nation playing a mighty rôle in international affairs. Most Europeans had not suspected the extent of its power. Even the Americans did not realize it. Nevertheless, the processes of economic empire building had laid a foundation upon which the superstructure of political empire is reared as a matter of course. Henceforth, no one need ask whether the United States should or should not be an imperial nation. There remained only the task of determining what form American imperialism should take.

The Great War rounded out the imperial beginnings of the United States. It strengthened the plutocracy at home; it gave the United States immense prestige abroad.

The Era of Imperialism dawned upon the United States in 1898. Daylight broke in 1914, and the night of isolation and of international unimportance gave place to a new day of imperial power.

2. *Plutocracy in the Saddle*

The rapid sweep across a new continent had placed the resources of the United States in the hands of a powerful minority. Nature had been generous and private ownership of the inexhaustible wilderness seemed to be the natural—the obvious method of procedure.

The lightning march of the American people across the continent gave the plutocracy its grip on the natural resources. The revolutionary transformations in industry guaranteed its control of the productive machinery.

The wizards of industrial activity have changed the structure of business life even more rapidly than they have conquered the wilderness. True sons of their revolutionary ancestors, they have slashed and remodeled and built anew with little regard for the past.

Revolutions are the stalking grounds of predatory power. Napoleon built his empire on the French Revolution; Cromwell on the revolt against tyrannical royalty in England. Peaceful times give less opportunity to personal ambition. Institutions are well-rooted, customs and habits are firmly placed, life is regulated and held to earth by a fixed framework of habit and tradition.

Revolution comes—fiercely, impetuously—uprooting institutions, overthrowing traditions, tearing customs from their resting places. All is uncertainty—chaos, when, lo! a man on horseback gathers the loose strands together saying, “Good people, I know, follow me!”

He does know; but woe to the people who follow him! Yet, what shall they do? Whither shall they turn? How shall they act? Who can be relied upon in this uncertain hour?

The man on horseback rises in his stirrups—speaking in mighty accents his message of hope and cheer, reassuring, promising, encouraging, inspiring all who come within the sound of his voice. His is the one assurance in a wilderness of uncertainty. What wonder that the people follow where he leads and beckons!

The revolutionary changes in American economic life between the Civil War and the War of 1914 gave the plutocrat his chance. He was the man on horseback, quick, clever, shrewd, farseeing, persuasive, powerful. Through the courses of these revolutionary changes, the Hills, Goulds, Harrimans, Wideners, Weyerhausers, Guggen-

heims, Rockefellers, Carnegies, and Morgans did to the American economic organization exactly what Napoleon did to the French political organization—they took possession of it.

3. *Making the Plutocracy Be Good*

The American people were still thinking the thoughts of a competitive economic life when the cohorts of an organized plutocracy bore down upon them. High prices, trusts, millionaires, huge profits, corruption, betrayal of public office took the people by surprise, confused them, baffled them, enraged them. Their first thought was of politics, and during the years immediately preceding the war they were busy with the problem of legislating goodness into the plutocracy.

The plutocrats were in public disfavor, and their control of natural resources, banks, railroads, mines, factories, political parties, public offices, governmental machinery, the school system, the press, the pulpit, the movie business,—all of this power amounted to nothing unless it was backed by public opinion.

How could the plutocracy—the discredited, vilified plutocracy—get public opinion? How could the exploiters gain the confidence of the American people? There was only one way—they must line up with some cause that would command public attention and compel public support. The cause that it chose was the “defense of the United States.”

4. *“Preparedness”*

The plutocracy, with a united front, “went in” for the “defense of the United States,”—attacking the people on the side of their greatest weakness; playing upon their primitive emotions of fear and hate. The campaign was intense and dramatic, featuring Japanese invasions, Mexican inroads, and a world conquest by Germany.

The preparedness campaign was a marvel of efficient business organization. Its promoters made use of every device known to the advertising profession; the best brains were employed, and the country was blanketed with preparedness propaganda.

Officers of the Army and Navy were frank in insisting that the defense of the United States was adequately provided for. (See testimony of General Nelson A. Miles, *Congressional Record*, February 3, 1916, p. 2265.) Still the preparedness campaign continued with vigor. Congressman Clyde H. Tavenner in his speech, "The Navy League Unmasked," showed why. He gave facts like those appearing in George R. Kirkpatrick's book, "War, What For"; in F. C. Howe's "Why War," and in J. A. Hobson's "Imperialism," showing that, in the words of an English authority, "patriotism at from 10 to 15 per cent is a temptation for the best of citizens."

Tavenner established the connection between the preparedness campaign and those who were making profits out of the powder business, the nickel business, the copper business, and the steel business, interlocked through interlocking directorates; then he established the connection between the Navy League and the firm of J. P. Morgan & Co., 23 Wall St., New York. Regarding this connection, Congressman Tavenner said, "The Navy League upon close examination would appear to be little more than a branch office of the house of J. P. Morgan & Co., and a general sales promotion bureau for the various armor and munition makers and the steel, nickel, copper and zinc interests."¹

The preparedness movement came from the business interests. It was fostered and financed by the plutocrats. It was their first successful effort at winning public confidence, and so well was it managed that millions of Americans fell into line, fired by the love of the flag and the world-old devotion to family and fireside.

¹ "The Navy League Unmasked," Speech of December 15, 1915. *Congressional Record*.

5. *Patriots*

From preparedness to patriotism was an easy step. The preparedness advocates had evoked the spirit of the founders of American democracy and worked upon the emotions of the people until it was generally understood that those who favored preparedness were patriots.

Plutocratic patriotism was accepted by the press, the pulpit, the college, and every other important channel of public information in the United States. Editors, ministers, professors and lawyers proclaimed it as though it were their own. Randolph Bourne, in a brilliant article (*Seven Arts*, July, 1917) reminds his readers of "the virtuous horror and stupefaction when they read the manifesto of their ninety-three German colleagues in defense of the war. To the American academic mind of 1914 defense of war was inconceivable. From Bernhardt it recoiled as from a blasphemy, little dreaming that two years later would find it creating its own cleanly reasons for imposing military service on the country and for talking of the rough rude currents of health and regeneration that war would send through the American body politic. They would have thought any one mad who talked of shipping American men by the hundreds of thousands—conscripts—to die on the fields of France. . . ."

The American plutocracy was magnified, deified, and consecrated to the task of making the world safe for democracy. Exploiters had turned saviors and were conducting a campaign to raise \$100,000,000 for the Red Cross.² The "malefactors of great wealth," the predatory business forces, the special privileged few who had exploited the American people for generations, became the prophets and the crusaders,

² This campaign was conducted by H. P. Davison, one of the leading members of the firm of J. P. Morgan and Co. Later a great war-fund drive was conducted by John D. Rockefeller, Jr. Cleveland H. Dodge of the Phelps-Dodge corporation was treasurer of another fund.

the keepers of the ark of the covenant of American democracy.

Radicals who had always opposed war, ministers who had spent their lives preaching peace upon earth, scientists whose work had brought them into contact with the peoples of the whole world, public men who believed that the United States could do greater and better work for democracy by staying out of the war, were branded as traitors and were persecuted as zealously as though they had sided with Protestantism in Catholic Spain under the Inquisition.

By a clever move, the plutocrats, wrapped in the flag and proclaiming a crusade to inaugurate democracy in Germany, rallied to their support the professional classes of the United States and millions of the common people.

6. *Business in Control*

After the declaration of war, the mobilization and direction of the economic war work of the government was placed in the hands of the Council of National Defense, an organized group of the leading business men. The Council consisted of six members of the President's Cabinet, assisted by an Advisory Commission and numerous sub-committees. The "Advisory Commission" of the Council (the real working body) contained four business men, an educator, a labor leader and a medical man. ("The Council of National Defense" a bulletin issued by the Council under date of June 28, 1917.)

Each member of the Advisory Commission had a group of persons coöperating with him. The make-up of these various committees was significant. Among 706 persons listed in the original schedule of sub-committees, 404 were business men, 200 were professional men, 59 were labor men, 23 were public officials and 20 were miscellaneous. It was only in Mr. Gompers' group that labor had any representation, and even there, out of 138 persons only 59 were workers or officials of unions, while 34 were business

men and 33 professional men, so that among Mr. Gompers' assistants the business and professional men combined considerably outnumbered the labor men.

The make-up of some of the sub-committees revealed the forces behind the Defense Council. Thus Mr. Willard's sub-committee on "Express" consisted of four vice-presidents, one from the American, one from the Wells-Fargo, one from the Southern and one from the Adams Express Company. His committee on "Locomotives" consisted of the Vice-President of the Porter Locomotive Company, the President of the American Locomotive Company, and the Chairman of the Lima Locomotive Corporation. Mr. Rosenwald's committee on "Shoe and Leather Industries" consisted of eight persons, all of them representing shoe or leather companies. His committee on "Woolen Manufactures" consisted of eight representatives of the woolen industry. The same business supremacy appeared in Mr. Baruch's committees. His committee on "Cement" consisted of the presidents of four of the leading cement companies, the vice-president of a fifth cement company, and a representative of the Bureau of Standards of Washington. His committee on "Copper" had the names of the presidents of the Anaconda Copper Company, the Calumet & Hecla Mining Company, the United Verde Copper Company and the Utah Copper Company. His committee on "Steel and Steel Products" consisted of Elbert H. Gary, Chairman of the United States Steel Corporation; Charles M. Schwab, of the Bethlehem Steel Company; A. C. Dinkey, Vice-President of the Midvale Steel Company; W. L. King, Vice-President of Jones & Loughlin Steel Company, and J. A. Burden, President of the Burden Steel Company. The four other members of the committee represented the Republic Iron and Steel Company, the Lackawanna Steel Company, the American Iron and Steel Institute and the Picklands, Mather Co., of Cleveland. Perhaps the most astounding of all the committees was that on "Oil." The chairman was the President of the Standard Oil Company, and the secretary of the committee gives his address as "26 Broadway," the address of the Standard Oil Com-

pany. The other nine members of the committee were oil men from various parts of the country. What thinking American would have suggested, three years before, that the Standard Oil Company would be officially directing a part of the work of the Federal Government?

Comment is superfluous. Every great industrial enterprise of the United States had secured representation on the committees of business men that were responsible for the direction of the economic side of war making.

Then came the Liberty Loan campaigns and Red Cross drives, the direction of which also was given into the hands of experienced business men. In each community, the leaders in the business world were the leaders in these war-time activities. Since the center of business life was the bank, it followed that the directing power in all of the war-time campaigns rested with the bankers, and thus the whole nation was mobilized under the direction of its financiers.

The results of these experiences were far-reaching. During two generations, the people of the United States had been passing anti-trust laws and anti-pooling laws, the aim of which was to prevent the business men of the country from getting together. The war crisis not only brought them together, but when they did assemble, it placed the whole political and economic power of the nation in their hands.

The business men learned, by first hand experience, the benefits that arise from united effort. They joined forces across the continent, and they found that it paid. James S. Alexander, President of the National Bank of Commerce (New York), tells the story from the standpoint of a banker (*Manchester Guardian*, January 28, 1920. Signed Article.) In a discussion of "the experience in coöperative action which the war has given American banks" he says, "The responsibility of floating the five great loans issued by the government, together with the work of financing a production of materials speeded up to meet war necessities, enforced a unity of action and coöperation which otherwise could hardly have been obtained in many years."

7. *Economic Winnings*

The war gains of the plutocracy in the field of public control were important, as well as spectacular. Behind them, however, were economic gains—little heralded, but of the most vital consequence to the future of plutocratic power.

The war speeded production and added greatly to the national income, to investable surplus, to profits and thus to the economic power of the plutocrats.

The most tangible measure of the economic advantage gained by the plutocracy from the war is contained in a report on "Corporate Earnings and Government Revenues" (Senate Document 259. 65th Congress, Second Session). This report shows the profits made by the various industries during 1917—the first war year.

The report contains 388 large pages on which are listed the profits ("percent of net income to capital stock in 1917") made by various concerns. A typical food producing industry—"meat packing"—lists 122 firms (p. 95 and 365). Of these firms 31 reported profits for the year of less than 25 percent; 45 reported profits of 25 but under 50 percent; 24 reported profits of 50 but under 100 percent, and 22 reported profits of 100 percent or more. In this case, a third of the profits were more than 25, but less than 50 percent, and half were 50 percent or over.

Manufacturers of cotton yarns reported profits ranging slightly higher than those in the meat packing industry (pp. 167, 168, 379). Among the 153 firms reporting, 21 reported profits of less than 25 percent; 61 reported 25 but less than 50 per cent; 55 reported 50 but under 100 percent, and 16 reported 100 percent or more.

Profits in the garment manufacturing industry were lower than those in yarn manufacturing. Among the 299 firms reporting (pp. 171, 380) 74 gave their profits as less than 25 percent; 121 gave their profits as 25 but under 50

percent; 65 gave profits of 50 but less than 100 percent, and 39 gave their profits as 100 percent or over.

The profits of 49 Steel plants and Rolling Mills (pp. 100, 365) were considerably higher than profits in any of the industries heretofore discussed. Four firms reported profits of less than 25 percent; 13 reported profits of 25 but less than 50 percent; 17 reported profits of 50 but less than 100 percent, and 15 reported profits of more than 100 percent. In this instance two-thirds of the firms show profits of 50 percent or over.

Bituminous Coal producers in the Appalachian field (340 in number, pp. 130 and 372) report a range of profits far higher than those secured in the manufacturing industries. Among these 340 firms, 23 reported profits of less than 25 percent; 45 reported profits of 25 but under 50 percent; 79 reported profits of 50 but under 100 percent; 135 reported profits of 100 but under 500 percent; 21 reported profits of 500 but under 1,000 percent, and 14 reported profits of 1,000 percent and over. In the case of these coal mine operators only a fourth had profits of under 50 percent and half had profits of more than 100 percent.

The profits in these five industries—food, yarn, clothing, steel and coal—are quite typical of the figures for the tens of thousands of other firms listed in Senate Document 259. Profits of less than 25 percent are the exception. Profits of over 100 percent were reported by 8 percent of the yarn manufacturers, by 13 percent of the garment manufacturers, by 18 percent of the meat packers, by 31 percent of the steel plants, and by 50 percent of the bituminous coal mines. A considerable number of profits ranged above 500 percent, or a gain in one year of five times the entire capital stock.

When it is remembered that these figures were supplied by the firms involved; that they were submitted to a tremendously overworked department, lacking the facilities for effective checking-up; and that they were submitted for the purposes of heavy taxation, the showing is nothing less than astounding.

8. *Winnings in the Home Field*

What has the American plutocracy won at home as a result of the war? In two words it has gained social prestige and internal (economic) solidarity. Both are vital as the foundation for future assertions of power.

The plutocracy has unified its hold upon the country as a result of the war. Also, it has won an important battle in its struggle with labor. The position held by the American plutocracy at the end of the Great War could hardly be stated more adequately than in a recent Confidential Information Service furnished by an important agency to American business men:

“SHALL VICTORS BE MAGNANIMOUS?”

“There is no doubt about it—Labor is beaten. Mr. Gompers was at his zenith in 1918. Since then he has steadily lost power. He has lost power with his own people because he is no longer able to deliver the goods. He can no longer deliver the goods for two reasons. For one thing, peace urgency has replaced war urgency and we are not willing to bid for peace labor as we were willing to bid for war labor. For another thing, the employing class is immensely more powerful than it was in 1914.

“We have an organized labor force more numerous than ever before. Relatively twice as many workers are organized as in 1916. But this same labor force has lost its hold on the public. Furthermore, it is divided in its own camp. It fears capital. It also fears its own factions. It threatens, but it does not dare.

“We said that the employing class was immensely more powerful than in 1914. There is more money at its command. Eighteen thousand new millionaires are the war's legacy. This money capacity is more thoroughly unified than ever. In 1914 we had thirty-thousand banks, functioning to a great degree in independence of each other. Then came the Federal Reserve Act and gave us the ma-

chinery for consolidation and the emergency of five years war furnished the hammer blows to weld the structure into one.

“The war taught the employing class the secret and the power of widespread propaganda. Imperial Europe had been aware of this power. It was new to the United States. Now, when we have anything to sell to the American people we know how to sell it. We have learned. We have the schools. We have the pulpit. The employing class owns the press. There is practically no important paper in the United States but is theirs!”

9. *The Run of the World*

The war gains of the American plutocracy at home were immense. Even more significant, from an imperial standpoint, were the international advantages that came to America with the war. The events of the two years between 1916 and 1918 gave the United States the run of the world.

Destiny seemed to be bent upon hurling the American people into a position of world authority. First, there was the matter of credit. The Allies were reaching the end of their economic rope when the United States entered the war. They were not bankrupt, but their credit was strained, their industries were disorganized, their sources of income were narrowed, and they were looking anxiously for some source from which they might draw the immense volume of goods and credit that were necessary for the continuance of the struggle.³

³ J. Maynard Keynes notes the “immense anxieties and impossible financial requirements” of the period between the Summer of 1916 and the Spring of 1917. The task would soon have become “entirely hopeless” but “from April, 1917” the problems were “of an entirely different order.” “The Economic Consequences of the Peace.” New York, Harcourt, Brace & Howe, 1920, p. 273.

The United States was that source of supply. During the years from 1915 to 1917, the industries of the United States were shifted gradually from a peace basis to a war basis. Quantities of material destined for use in the war were shipped to the Allies. The unusual profits made on much of this business were not curtailed by heavy war taxation. Thus for more than two years the basic industries of the United States reaped a harvest in profits which were actually free of taxation, at the same time that they placed themselves on a war basis for the supplying of Europe's war demand. When the United States did enter the war, she came with all of the economic advantages that had arisen from selling war material to the belligerents during two and a half years. Throughout those years, while the Allies were bleeding and borrowing and paying, the American plutocracy was growing rich.

When the United States entered the war, she entered it as an ally of powers that were economically winded. She herself was fresh. With the greatest estimated wealth of any of the warring countries, she had a public national debt of less than one half of one percent of her total wealth. She had larger quantities of liquid capital and a vast economic surplus. As a consequence, she held the purse strings and was able, during the next two years, to lend to the Allied nations nearly ten billion dollars without straining her resources to any appreciable degree.

The nations of Europe had been so deeply engrossed in war-making that they had been unable to provide themselves with the necessary food. All of the warring countries, with the exception of Russia, were importers of food in normal times. The disturbances incident to the war; the insatiable army demands, and the loss of shipping all had their effect in bringing the Allied countries to a point of critical food scarcity in the Winter of 1916-1917.

The United States was able to meet this food shortage as easily as it met the European credit shortage—and with no greater sacrifice on the part of the American people. Then, too, with the exception of small amounts of food

donated through relief organizations, the food that went to Europe was sold at fancy prices. The United States was therefore in a position to lay down the basic law,—“Submit or starve.”

With the purse strings and the larder under American control, the temporary supremacy of the United States was assured. She was the one important nation (beside Japan) that had lost little and gained much during the war. She was the only great nation with a surplus of credit, of raw materials and of food.

The prosperity incident to this period is reflected in the record of American exports, which rose from an average of about two billions in the years immediately preceding the war to more than six billions in 1917. In the same year the imports were just under three billions, leaving a trade balance—that is, a debt owing by foreign countries to the United States—of more than three billions for that one year.

10. *Victory*

The war had been in progress for nearly three years before the United States took her stand on the side of the Allies. At that time the flower of Europe's manhood had faced, for three winters, a fearful pressure of hardship and exposure, while millions among the non-combatants had suffered, starved, sickened and died. The nerves of Europe were worn and the belly of Europe was empty when the American soldiers entered the trenches. They were never compelled to bear the brunt of the conflict. They arrived when the Central Empires were sagging. Their mere presence was the token of victory.

For the first time in history the Americans were matched against the peoples of the old world on the home ground of the old world, and under circumstances that were enormously favorable to the Americans. European capitalism had weakened itself irreparably. The United States

entered the war at a juncture that enabled her to take the palm after she had already taken billions of profit without risk or loss. The gain to the United States was immense, beyond the possibility of present estimate. The rulers of the United States became, for the time being, at least, the economic dictators of the world.

The Great War brought noteworthy advantages to the American plutocracy. At home its power was clinched. Among the nations, the United States was elevated by the war into a position of commanding importance. In a superficial sense, at least, the Great War "made" the plutocracy at home and "made" the United States among the nations.

XII. THE IMPERIAL HIGHROAD

1. *A Youthful Traveler*

ALONG the highroad that leads to empire moves the American people, in the heyday of its youth, sturdy, vigorous, energy-filled, replete with power and promise—conquerors who have swept aside the Indians, enslaved a race of black men, subdued a continent, and begun the extension of territorial control beyond their own borders. More than a hundred million Americans—fast losing their standards of individualism—fast slipping under the domination of a new-made ruling class of wealth-lords and plutocrats—journey, not discontentedly, along the imperial highroad.

The preliminary work of empire-building has been accomplished—territory has been conquered; peoples have been subjected and a ruling class organized. The policy of imperialism has been accepted by the people, although they have not thought seriously of its consequences. They have set out, in good faith, as they believe, to seek for life, liberty and happiness. They do not yet realize that, along the road that they are now traveling, the journey will not be ended until they have worn themselves threadbare in their efforts to conquer the earth.

The American people,—lacking in political experience and in world wisdom; ignorant of the laws of economic and social change,—have committed themselves, unwittingly, to the world old task of setting up authority over those who have no desire to accept it, and of exacting tribute from those who do not wish to pay it.

The early stages of the journey led across a continent. The American people followed it eagerly. Now that the trail leads to other continents they are still willing to go.

“Manifest destiny” is the cry of the leaders. “We are called,” echo the followers, and the nation moves onward.

There was some hesitancy among the American people during the Spanish War. Even the leaders were not ready then. Now the leaders are prepared—for markets, for trade, for investments. They are indifferent to political conquest, but economically they are prepared to go on—into Latin America; into Asia; into Europe. The war taught them the lesson and gave them an inkling of their power. So they move along the imperial highroad—followed by a people who have not yet learned to chant the songs of victory—but who are destined, at no very distant date, to learn victory’s lessons and to pay victory’s price. Along the path,—far away in the distance they see the earth like a ball, rolling at their feet. It is theirs if they will but reach out their hands to grasp it!

2. *An Imperial People*

This is the American people—locked in the arms of mighty economic and social forces; building industrial empires; compelled, by a world war, to reach out and save “civilization,”—capitalist civilization,—a people that, by its very ancestry, seems destined to follow the course of empire.

The sons and daughters of the native born American stock are, in the main, the descendants of the conquering, imperial races of the modern world. During recent times, three great empires—Spain, France and Great Britain—have dominated western civilization. It was these three empires that were responsible for the settlement of America. The past generation has seen the German empire rise to a position that has enabled her to shake the security of the world. The Germans were among the earliest and most numerous settlers of the American colonies. Those who boast colonial ancestry boast the ancestry of conquerors. The Anglo-Saxon-Teutonic races, the titular masters of the

modern world; the races that have spread their power wherever ships sail or trade moves or gain offers, furnished the bulk of the early immigrants to America.

The bulk of the early immigration to the United States was from Great Britain and Germany. The records of immigration (kept officially since 1820) show that between that year and 1840 the immigrants from Europe numbered 594,504, among them there were 358,994 (over half) from the British Isles, and 159,215 from Germany, making a total from the two countries of 518,209, or 87 percent of the immigrants arriving in the twenty-year period. During the next twenty years (1840-1860) the total of immigrants from Europe was 4,050,159, of which the British Isles furnished 2,386,846 (over half) and Germany 1,386,293, making, for these two countries, 94 percent of the whole immigration. Even during the years from 1860 to 1880, 82 percent of those who migrated to the United States hailed from Great Britain and Germany. American immigration, from 1820 to 1880, might, without any violence to facts, be described as Anglo-Teutonic, so completely does the British-German immigrant dominate this period.

Literally, it is true that the American people have been sired by the masters and would-be masters of the modern earth.

3. *A Place in the Sun*

The Americans, like many another growing people, have sought a place in the sun—widening their boundaries; grasping at promised riches. Unlike other peoples they have accomplished the task without any real opposition. Their “promised land” lay all about them, isolated from the factional warfare of Europe; virgin; awaiting the master of the Western World.

The United States has followed the path of empire with a facility unexampled in recent history. When has a people, caught in the net of imperialism, encountered less difficulty

in making its imperial dream come true? None of the foes that the American people have encountered, in two centuries of expansion, have been worthy of the name. The Indians were in no position to withstand the onslaught of the Whites. The Mexicans were even less competent to defend themselves. The Spanish Empire crumpled, under attack, like an autumn leaf under the heel of a hunter. Practically for the taking, the American people secured a richly-stocked, compact region, with an area of three millions of square miles—the ideal site for the foundation of a modern civilization.

The area of the United States has increased with marvelous rapidity. At the outbreak of the Revolution (1776) the Colonies claimed a territory of 369,000 square miles. The Northwest Territory (275,000 square miles) and the area south of the Ohio River (205,000 square miles) were added largely as a result of the negotiations in 1782. The official figures for 1800 give the total area of the United States as 892,135 square miles. The Louisiana Purchase (1803) added 885,000 square miles at a cost of 15 millions of dollars. Florida, 59,600 square miles, was purchased from Spain (1819) for 5 millions of dollars; Texas, 389,000 square miles was annexed in 1845; the Oregon Country, 285,000 square miles, was secured by treaty in 1846; New Mexico and California, 529,000 square miles, were ceded by Spain (1848) and a payment of 15 millions was made by the United States; in 1853 the Gadsen Purchase added 30,000 square miles at a cost of ten millions of dollars. This completed the territorial possessions of the United States on the mainland (with the exception of Alaska) making a continental area of 3,026,798 square miles. Between 1776 and 1853 the area of the United States was increased more than eight fold. What other nation has been in a position to multiply its home territory by eight in two generations?

These vast additions to the continental possessions of the United States were made as the result of a trifling outlay. The most serious losses were involved in the Mexican War when the casualties included more than 13,000 killed and

died of wounds and disease. The net money cost of the war did not exceed \$100,000,000. In return for this outlay—including the annexation of Texas—the United States secured 918,000 square miles of land.¹

There is no way to estimate the loss of life or the money cost of the Indian Wars. For the most part, the troops engaged in them suffered no more heavily than in ordinary police duty, and the costs were the costs of maintaining the regular army. The total money outlay for purchases and indemnities was about 45 millions of dollars. Within a century the American people gained possession of one of the richest portions of the earth's surfaces—a portion equal in area to more than three times the combined acreage of Belgium, France, Germany, Italy, Japan and the British Isles²—in return for an outlay in money and life that would not have provided for one first class battle of the Great War.

Additions to the territory of the country were made with equal facility during the period following the Civil War. Alaska was purchased from Russia for \$7,200,000; from Spain, as a result of the War of 1898, the United States received the Philippines, Porto Rico, and some lesser islands, at the same time paying Spain \$20,000,000; Hawaii was annexed and an indemnity of \$10,000,000 was paid to Panama for the Canal strip. During the second half of the nineteenth century, 716,666 square miles were added to the possessions of the United States. The total direct cost of this territory in money was under forty millions. These gains involved no casualties with the exception of the small numbers lost during the Spanish-American and Philippine Wars.

One hundred and thirty years have witnessed an addition to the United States of more than two and a half million square miles of contiguous, continental territory, and

¹ "New American History," A. B. Hart. American Book Co., 1917, p. 348.

² The total area of these countries, exclusive of their colonies, is 807,123 square miles.

three-quarters of a million square miles of non-contiguous territory. The area of the United States in 1900 was four times as great as it was in 1800 and more than ten times as great as the area of the Thirteen Original Colonies. For the imperialist, the last century and a half of American history is a fairyland come true.

Other empires have been won by the hardest kind of fighting, during which blood and wealth have been spent with a lavish hand. The empire of the French, finally crushed with the defeat of Napoleon, was paid for at such a huge price. The British Empire has been established in savage competition with Holland, Spain, France, Russia, the United States, Germany and a host of lesser powers. The empires of old—Assyria, Egypt, Rome—were built at an intolerable sacrifice. So terrible has been the cost of empire building to some of these nations that by the time they had succeeded in creating an empire the life blood of the people and the resources of the country were devoured and the empire emerged, only to fall an easy prey to the first strong-handed enemy that it encountered.

No such fate has overtaken the United States. On the contrary her path has been smoothed before her feet. Inhabiting a garden spot, her immense territory gains in the past hundred and fifty years have been made with less effort than it has cost Japan to gain and hold Korea or England to maintain her dominion over Ireland.

Once established, the old-world empire was not secure. If the territory that it possessed was worth having, it was surrounded by hungry-eyed nations that took the first occasion to band together and despoil the spoiler. The holding of an empire was as great a task as the building of empire—often greater because of the larger outlay in men and money that was involved in an incessant warfare. Little by little the glory faded; step by step militarism made its inroads upon the normal life of the people, until the time came for the stronger rival to overthrow the mighty one, or until the intrushing hordes of barbarians should blot

out the features of civilization, and enthrone chaos once more.

How different has been the fate of the people of the United States! Possessed of what is probably the richest, for the purposes of the present civilization, of any territory of equal size in the world, their isolation has allowed them more than a century of practical freedom from outside interference—a century that they have been able to devote to internal development. The absence of greedy neighbors has reduced the expense of military preparation to a minimum; the old world has failed to realize, until within the last few years, what were the possibilities of the new country; vitality has remained unimpaired, wealth has piled up, industry has been promoted, and on each occasion when a greater extent of territory was required, it has been obtained at a cost that, compared with the experience of other nations, must be described as negligible.

So simple has been the process of empire building for the United States; so natural have been the stages by which the American Empire has been evolved; so little have the changes disturbed the routine of normal life that the American people are, for the most part, unaware of the imperial position of their country. They still feel, think and talk as if the United States were a tiny corner, fenced off from the rest of the world to which it owed nothing and from which it expected nothing.

The American Empire has been built, as were the palaces of Aladdin, in a night. The morning is dawning, and the early risers who were not even awakened from their slumbers by the sound of hammer and engine, are beginning to rub their eyes, and to ask one another what is the meaning of this apparition, and whether it is real.

4. *The Will to Power*

The forces of America are the forces of Empire,—the geography, the economic organization, the racial qualities—all press in the direction of imperialism. There is logic

behind the two centuries of conquest in which the American people have been engaged; there is logic in the rise of the plutocracy. Now it remains for the rulers of America to accept the implications of imperialism,—to thrill with the will to power; to recognize and strengthen imperial purpose; to sell imperialism to the American people—in other words to follow the call of manifest destiny and conquer the earth.

The will to power is very old and very strong. Economic and social necessity on the one hand, and the driving pressure of human ambition and the love of domination on the other, have given it a front place in human affairs. The empires of the past were driven into being by this ardent force. As far back as history bears a record, one nation or tribe has made war on its more fortunately situated neighbor; one leader has made cause against his fellow ruler. The Egyptians and Carthaginians have conquered in Africa; the Persians, Assyrians and Babylonians conquered in Asia; the Macedonians, Greeks, Romans, Spanish, Dutch, French, and British built their empires on one or more of the five continents. Conqueror has succeeded conqueror, empire has followed empire. Spoils, domination, world power, have been the objects of their campaigns.

Each great nation grew from small beginnings. Each arose from some simple form of tribal or clan organization—more or less democratic in its structure; containing within itself a unified life and a simple folk philosophy.

From such plain beginnings empires have developed. The peasants, tending their fertile gardens along the borders of the Nile; the vine dressers of Italy, the husbandmen and craftsmen of France and the yeomen of Merry England had no desire to subjugate the world. If tradition speaks truth, they were slow to take upon themselves anything more than the defense of their own hearthstones. It was not until the traders sailed across the seas; not until stories were brought to them of the vast spoil to be had, without work, in other lands, that the peasants and craftsmen consented to undertake the task of conquest, subjugation and empire building.

The plain people do not feel the will to power. They know only the necessities of self-defense. It is in the ambitions of the leisure classes that the demands of conquest have their origin. It is among them that men dream of world empire.³

The plain people of the United States have no will to power at the present time. They are only asking to be let alone, in order that they may go their several ways in peace. They are babes in the world of international politics. For generations they have been separated by a great gulf of indifference from the remainder of the human race, and they crave the continuance of this isolation because it gives them a chance to engage, unmolested, in the ordinary pursuits of life.

The American people are not imperialists. They are proud of their country, jealous of her honor, willing to make sacrifices for their dear ones. They are to-day where the plain folk of Egypt, Rome, France and England were before the will to power gripped the ruling classes of those countries.

Far different is the position of the American plutocracy. As a ruling class the plutocracy feels the necessity of preserving and enlarging its privileges. Recently called into a position of leadership, untrained and in a sense unprepared, it nevertheless understands that its claim to consideration depends upon its ability to do what the ruling classes of Egypt, Rome, France and England have done—to build an empire.

Almost unconsciously, out of the necessities of the period, has come the structure of the American Empire. In essence it is an empire, although the plain people do not know it, and even the members of the plutocracy are in many instances unaware of its true character. Yet here, in a land dedicated to liberty and settled by men and women who sought to escape from the savage struggles of empire-

³ See "Theory of the Leisure Class," Thorstein Veblen. New York, Huebsch, 1918, Ch. 10.

ridden Europe, the foundations and the superstructure of empire appear.

1. The people of the United States have conquered and now hold possession of approximately three million square miles of continental territory that has been won by armed force from Great Britain, Mexico, Spain, and the American Indians. (The entire area of Europe is only 3,800,000 square miles.)

2. The people of the United States have conquered and now hold under their sway subject people who have enjoyed no opportunity for self-determination. A whole race—the African Negroes—was captured in its native land, transported to America and there sold into slavery. The inhabitants of the Philippine Islands were conquered by the armed forces of the United States and still are subject people.

3. The United States had developed a plutocracy—a property holding class, that is, to all intents and purposes, the imperialist class—controlling and directing public policy.

4. This plutocratic class is exploiting continental United States and its dependencies. After years of savage internal strife, it has developed a high degree of class consciousness, and led by its bankers, it is taking the fat of the land. The plutocrats, who have made the country their United States, are at the present moment busy disposing of their surplus in foreign countries. As they build their industrial empires, they broaden and deepen their power.

Thus is the round of imperialism complete. Here are the conquered territory, subject people, an imperial ruling class, and the exploitation, by this class, of the lands and peoples that come within the scope of their power. These are the attributes of empire—the characteristics that have appeared, in one form or another, through the great empires of the past and of the present day. Differing in their forms, they remain similar in the principles that they represent. They are imperialism.

• 5. *Imperial Purpose*

The building of international industrial empires by the progressive business men of the United States lays the foundation for whatever political imperialism is necessary to protect markets, trade and investment. Gathering floods of economic surplus are the driving forces which are guided by ambition and love of gain and power.

The United States emerged from the Great War in a position of unquestioned economic supremacy. With vast stores of all the necessary resources, amply equipped with capital, the country has entered the field as the most dangerous rival that the other capitalist nations must face. Possessed of everything, including the means of providing a navy of any reasonable size and an army of any necessary number, the United States looms as the dominating economic factor in the capitalist world.

Imperial policy is frequently bold, rough and at times frankly brutal and unjust. Where subject peoples and weaker neighbors submit to the dictates of the ruling power there is no friction. But where the subject peoples or smaller states attempt to assert their rights of self-determination or of independence, the empire acts as Great Britain has acted in Ireland and in India; as Italy and France have acted in Africa; as Japan has acted in Korea; as the United States has acted in the Philippines, in Hayti, in Nicaragua, and in Mexico.

Plain men do not like these things. Animated by the belief in popular rights which is so prevalent among the western peoples, the masses resent imperial atrocities. Therefore it becomes necessary to surround imperial action with such an atmosphere as will convince the man on the street that the acts are necessary or else that they are inevitable.

When the Church and the State stood together the Czar and the Kaiser spoke for God as well as for the financial interests. There was thus a double sanction—imperial ne-

cessity coupled with divine authority. Those who were not willing to accept the necessity felt enough reverence for the authority to bow their heads in submission to whatever policy the masters of empire might inaugurate.

The course of empire upon which the United States has embarked involves a complete departure from all of the most cherished traditions of the American people. Economic, political and social theories must all be thrust aside. Liberty, equality and fraternity must all be forgotten and in their places must be erected new standards of imperial purpose that are acceptable to the economic and political masters of present day American life.

The American people have been taught the language of liberty. They believe in freedom for self-determination. Their own government was born as a protest against imperial tyranny and they glory in its origin and speak proudly of its revolutionary background. Americans are still individualists. Their lives and thoughts both have been provincial—perhaps somewhat narrow. They profess the doctrine "Live and let live" and in a large measure they are willing and anxious to practice it.

How is it possible to harmonize the Declaration of Independence with the subjugation of peoples and the conquest of territory? If governments "derive their just powers from the consent of the governed," and if it is the right of a people to alter or to abolish any government which does not insure their safety and happiness, then manifestly subjugation and conquest are impossible.

The letter and the spirit of the Declaration of Independence contradict the letter and spirit of imperial purpose word for word and line for line. There can be no harmony between these two theories of social life.

5. *Advertising Imperialism*

Since the tradition of the people of the United States and the necessities of imperialism are so utterly at variance, it becomes necessary to convince the American people that

they should abandon their traditions and accept a new order of society, under which the will to power shall be substituted for liberty and fraternity. The ruling class of imperial Germany did this frankly and in so many words. The English speaking world is more adroit.

The first step in the campaign to advertise and justify imperialism is the teaching of a blind my-country-right-or-wrong patriotism. In the days preceding the war the idea was expressed in the phrase, "Stand behind the President." The object of this teaching is to instill in the minds of the people, and particularly of the young, the principles of "Deutschland über alles," which, in translation, means "America first." There are more than twenty million children in the public schools of the United States who are receiving daily lessons in this first principle of popular support for imperial policy.

Having taken this first step and made the state supreme over the individual will and conscience, the imperial class makes its next move—for "national defense." The country is made to appear in constant danger from attack. Men are urged to protect their homes and their families. They are persuaded that the white dove of peace cannot rest securely on anything less than a great navy and army large enough to hold off aggressors. The same forces that are most eager to preach patriotism are the most anxious about national preparedness.

Meanwhile the plain people are taught to regard themselves and their civilization as superior to anything else on earth. Those who have a different language or a different color are referred to as "inferior peoples." The people of Panama cannot dig a canal, the people of Cuba cannot drive out yellow fever, the people of the Philippines cannot run a successful educational system, but the people of the United States can do all of these things,—therefore they are justified in interfering in the internal affairs of Panama, Cuba and the Philippines. When there is a threat of trouble with Mexico, the papers refer to "cleaning up Mexico" very much as a mother might refer to cleaning up a dirty child.

Patriotism, preparedness and a sense of general superiority lead to that type of international snobbery that says, "Our flag is on the seven seas"; or "The sun never sets on our possessions"; or "Our navy can lick anything on earth." The preliminary work of "Education" has now been done; the way has been prepared.

One more step must be taken, and the process of imperializing public opinion is complete. The people are told that the imperialism to which they have been called is the work of "manifest destiny."

7. Manifest Destiny

The argument of "manifest destiny" is employed by the strong as a blanket justification for acts of aggression against the weak. Each time that the United States has come face to face with the necessity of adding to its territory at the expense of some weak neighbor, the advocates of expansion have plied this argument with vigor and with uniform success.

The American nation began its work of territorial expansion with the purchase of Louisiana. Jefferson, who had been elected on a platform of strict construction of the Constitution, hesitated at an act which he regarded as "beyond the Constitution." (Jefferson's "Works," Vol. IV, p. 198.) Quite different was the language of his more imperialistic contemporaries. Gouverneur Morris said, "France will not sell this territory. If we want it, we must adopt the Spartan policy and obtain it by steel, not by gold."⁴ During February, 1803, the United States Senate debated the closing of the Mississippi to American commerce. "To the free navigation of the Mississippi we had an undoubted right from nature and from the position of the Western country,"⁵ said Senator Ross (Pennsylvania)

⁴ "A History of Missouri," Louis Houck. Chicago, R. R. Donnelly & Sons, 1908, vol. II, p. 346.

⁵ "History of Louisiana," Charles Gayarre. New Orleans, Hansell & Bros., Ltd., 1903, vol. III, p. 478.

on February 14. On February 23rd Senator White (Delaware) went a step farther: "You had as well pretend to dam up the mouth of the Mississippi, and say to the restless waves, 'Ye shall cease here, and never mingle with the ocean,' as to expect they (the settlers) will be prevented from descending it."⁶ On the same day (February 23rd) Senator Jackson (Georgia) said: "God and nature have destined New Orleans and the Floridas to belong to this great and rising Empire."⁷

God, nature and the requirements of American commerce were the arguments used to justify the purchase, or if necessary, the seizure of New Orleans. The precedent has been followed and the same arguments presented all through the century that followed the momentous decision to extend the territory of the United States.

Some reference has been made to the Mexican War and the argument that the Southwest was a "natural" part of the territory of the United States. The same argument was made in regard to Cuba and by the same spokesmen of the slave-power. Stephen A. Douglas (New Orleans, December 13, 1858) was asked:

"How about Cuba?"

"It is our destiny to have Cuba," he answered, "and you can't prevent it if you try."⁸

On another occasion (New York, December, 1858) Douglas stated the matter even more broadly:

"This is a young, vigorous and growing nation and must obey the law of increase, must multiply and as fast as we multiply we must expand. You can't resist the law if you try. He is foolish who puts himself in the way of American destiny."⁹

President McKinley stated that the Philippines, like Cuba and Porto Rico, "were intrusted to our hands by the

⁶ Ibid., p. 485.

⁷ Ibid., p. 486.

⁸ McMaster's "History of the American People." Vol. VIII, p. 339.

⁹ Ibid., p. 339.

Providence of God" (Boston, February 16, 1899), and one of his fellow imperialists—Senator Beveridge of Indiana—carried the argument one step farther (January 9, 1900) when he said in the Senate (*Congressional Record*, January 9, 1900, p. 704): "The Philippines are ours forever. . . . And just beyond the Philippines are China's illimitable markets. We will not retreat from either. We will not repudiate our duty to the archipelago. We will not abandon our opportunity in the Orient. We will not renounce our part in the mission of our race, trustee, under God, of the civilization of the world."

Manifest destiny is now urged to justify further acts of aggression by the United States against her weaker neighbors. *The Chicago Tribune*, discussing the Panama Canal and its implications, says editorially (May 5, 1916): "The Panama Canal has gone a long way towards making our shore continuous and the intervals must and will be filled up; not necessarily by conquest or even formal annexation, but by a decisive control in one form or another."

Here the argument of manifest destiny is backed by the argument of "military necessity,"—the argument that led Great Britain to possess herself of Gibraltar, Suez and a score of other strategic points all round the earth, and to maintain, at a ruinous cost, a huge navy; the argument that led Napoleon across Europe in his march of bloody, fatal triumph; the argument that led Germany through Belgium in 1914—one of the weakest and yet one of the most seductive and compelling arguments that falls from the tongue of man. Because we have a western and an eastern front, we must have the Panama Canal. Because we have the Panama Canal, we must dominate Central America. The next step is equally plain; because we dominate Central America and the Panama Canal, there must be a land route straight through to the Canal. In the present state of Mexican unrest, that is impossible, and therefore we must dominate Mexico.

The argument was stated with persuasive power by ex-Senator Albert J. Beveridge (*Collier's Weekly*, May 19,

1917). "Thus in halting fashion but nevertheless surely, the chain of power and influence is being forged about the Gulf. To neglect Mexico is to throw away not only one link but a large part of that chain without which the value and usefulness of the remainder are greatly diminished if indeed not rendered negligible." By a similar train of logic, the entire American continent, from Cape Horn to Bering Sea can and will be brought under the dominion of the United States.

Some destiny must call, some imperative necessity must beckon, some divine authority must be invoked. The campaign for "100 percent Americanism," carefully thought out, generously financed and carried to every nook and corner of the United States aims to prove this necessity. The war waged by the Department of Justice and by other public officers against the "Reds" is intended to arouse in the American people a sense of the present danger of impending calamity. The divine sanction was expressed by President Wilson in his address to the Senate on July 10, 1919. The President discussed the Peace Treaty in some of its aspects and then said, "It is thus that a new responsibility has come to this great nation that we honor and that we would all wish to lift to yet higher service and achievement. The stage is set, the destiny disclosed. It has come about by no plan of our conceiving but by the hand of God who has led us into this war. We cannot turn back. We can only go forward, with lifted and freshened spirit to follow the vision."

8. *The Open Road*

The American people took a long step forward on November 2, 1920. The era of modern imperialism, begun in 1896 by the election of McKinley, found its expression in the annexation of Hawaii; the conquest of Cuba and the Philippines; the seizure of Panama, and a rapid commercial and financial expansion into Latin America. In 1912 the Republicans were divided. The more conservative elements backed Taft for reelection. The more aggressive group

(notably United States Steel) supported Roosevelt. Between them they divided the Republican strength, and while they polled a total vote of 7,604,463 as compared with Wilson's 6,293,910, the Republican split enabled Wilson to secure a plurality of 2,173,512, although he had less than half of the total vote.

President Wilson entered office with the ideals of "The New Freedom." He was out to back the "man on the make," the small tradesman and manufacturer; the small farmer; the worker, ambitious to rise into the ranks of business or professional life. With the support, primarily, of little business, Wilson managed to hold his own for four years, and at the 1916 election to poll a plurality, over the Republican Party, of more than half a million votes. He won, however, primarily because "he kept us out of war." April, 1917, deprived him of that argument. His "New Freedom" doctrines, translated into international politics (in the Fourteen Points) were roughly handled in Paris. The country rejected his leadership in the decisive Congressional elections of 1918, and he and his party went out of power in the avalanche of 1920, when Harding received a plurality nearly three times as great as the highest one ever before given a presidential candidate (Roosevelt, in 1904). Every state north of the Mason and Dixon Line went Republican. Tennessee left the Solid South and joined the same party. The Democrats carried only eleven states—the traditional Democratic stronghold.

The victory of Harding is a victory for organized, imperial, American business. The "man on the make" is brushed aside. In his place stands banker, manufacturer and trader, ready to carry American money and American products into Latin America and Asia.

Before the United States lies the open road of imperialism. Manifest destiny points the way in gestures that cannot be mistaken. Capitalist society in the United States has evolved to a place where it must make certain pressing demands upon neighboring communities. Surplus is to be invested; investments are to be protected, American author-

ity is to be respected. All of these necessities imply the exercise of imperial power by the government of the United States.

Capitalism makes these demands upon the rulers of capitalist society. There is no gainsaying them. A refusal to comply with them means death.

Therefore the American nation, under the urge of economic necessity; guided half-intelligently, half-instinctively by the plutocracy, is moving along the imperial highroad, and woe to the man that steps across the path that leads to their fulfillment. He who seeks to thwart imperial destiny will be branded as traitor to his country and as blasphemer against God.

XIII. THE UNITED STATES AS A WORLD COMPETITOR

1. *A New World Power*

YOUNGEST among the great nations, the United States holds a position of immense world power. Measured in years and compared with her sister nations in Europe and Asia, she is a babe. Measured in economic strength she is a burly giant. Young America is, but mighty with a vast economic strength.

An inexorable destiny seems to be forcing the United States into a position of international importance. Up to the time of the Spanish War, she played only a minor part in the affairs of the world. The Spanish War was the turning point—the United States as a borrowing nation gave way then, to the United States as an investing nation. Economic forces compelled the masters of economic life to look outside of the country for some of their business opportunities.

Since the Civil War the United States has been preparing herself for her part in world affairs. During the thirty years that elapsed between 1870 and 1900 she emerged from a position of comparative economic inferiority to take a position of notable economic importance. Between the years 1870 and 1900 the population of the United States increased 97 per cent. During the same period the annual production of wheat increased from 236 million bushels to 522 million bushels; the annual production of corn from 1,094 to 2,105 million bushels; the annual production of cotton from 4,352 to 10,102 thousand bales; the annual production of coal from 29 to 241 million tons; the annual production of petroleum from 221 to 2,672 million gallons; the annual production of pig iron from 1,665 to 13,789 thousand tons; the annual production of steel from 68 to

10,188 thousand tons; the annual production of copper from 12 to 271 thousand tons, and the production of cement (there is no record for 1870) rose from two million barrels in 1880 to 17 million barrels in 1900. Thus while the production of food more than kept pace with the increase of population, the production of those commodities upon which the new industry depends—coal, petroleum, iron, steel, copper and cement—increased many times more rapidly than the population. During one brief generation the United States, with almost unbelievable rapidity, forged ahead in the essentials for supremacy in the new world of industry.

By the time of the Spanish War (1898) American industries had found their stride. During the next fourteen years they were overtaking their European competitors in seven league boots. Between 1900 and 1914 while the population of the United States increased by 30 per cent,—

Wheat production increased.....	70	per cent
Corn production increased.....	27	“ “
Cotton production increased.....	58	“ “
Coal production increased.....	90	“ “
Petroleum production increased..	317	“ “
Pig Iron production increased...	69	“ “
Steel production increased.....	131	“ “
Copper production increased....	89	“ “
Cement production increased....	406	“ “

The United States was rushing toward a position of economic world power before the catastrophe of 1914 hurled her to the front, first as a producer (at immense profits) for the Allies, and later as the financier of the final stages of the War.

The economic position that is now held by the United States among the great competing nations of the world can be in some measure suggested—it cannot be adequately stated—by a comparison of the economic position of the United States and some of the other leading world empires.

Neither the geographical area of the United States nor the numerical importance of its people justifies its present world position. The country, with 8 per cent of the area and 6 per cent of the population of the world, looms large in the world's economic affairs,—how large will appear from an examination of certain features that are considered essential to economic success, such as resources, capital, products, shipping, and national wealth and income.

2. The Resources of the United States

The most important resource of any country is the fertile, agricultural land. Figures given in the Department of Agriculture Year Book for 1918 (Table 319) show the amount of productive land,—including, beside cultivated land, natural meadows, pastures, forests, woodlots, etc., of the various countries according to pre-war boundary lines. The total of such productive land for the 36 leading countries of the world was 4,591.7 million acres. Russia, including Siberia, had almost a third of this total (1,414.7 million acres). The United States came second with 878.8 million acres, or 19 per cent of the total available productive land. Third in the list was Argentine with 537.8 million acres. British India came fourth with 465.7 million acres. Then there followed in order Austria-Hungary, Germany, France, Australia, Spain and Japan. Austria-Hungary, Germany and France combined had almost exactly four hundred million acres of productive land or less than half the productive area of the United States.

The United States, in the area of productive land, is second only to Russia. In the area of land actually under cultivation, however, it stands first, with Russia a close second and British India a close third,—the amounts of cultivated land in each of these countries being 293.8 million acres, 279.6 million acres, and 264.9 million acres respectively. These three countries together contain 64 per cent of the 1,313.8 million acres of cultivated land of the world. The United States alone contains 22 per cent of the total cultivated land.

The total forest acreage available for commercial purposes is greatest in Russia (728.4 million acres). The United States stands second with 400 million acres and Canada third with 341 million acres. The Chief of Forest Investigations of the United States Department of Agriculture (Letter of Oct. 11, 1919) places the total forest acreage of both Brazil and Canada ahead of the United States. In the case of Brazil no figures are available showing what portion of the 988 million acres of total area is commercially available. Canada with a total forest acreage of 800 million acres has less timber commercially available than the United States with a total forest area of 500 million acres.

The iron ore reserves of the world are estimated at 91,000 million tons ("Iron Ores," Edwin C. Eckel. McGraw Hill Book Co., 1914, pp. 392-3). Of this amount 51,000 millions are placed in Asia and Africa; 12,000 million tons in Europe, and 14,800 million tons in North America. The United States alone is credited with 4,260 million tons or about 5 per cent of the world's supply. The United States Geological Survey (*Bulletin* 666v) estimates the supply of the United States at 7,550 million tons; the supply in Newfoundland, Mexico and Cuba as 7,000 million tons, and that in South America as 8,000 million tons as against 12,000 million tons for Europe. This estimate would give the United States alone 8 per cent of the iron ore of the world. It would give North America 15 per cent and the Western Hemisphere 25 per cent, as against 15 per cent for Europe.

Iron ore furnishes the material out of which industrial civilization is constructed. Until recently the source of industrial power has been coal. Even to-day petroleum and water play a relatively unimportant rôle. Coal still holds the field.

The United States alone contains 3,838,657 million tons—more than half of the total coal reserves of the world. ("Coal Resources of the World." Compiled by the Executive Committee, International Geological Congress, 1913, Vol. I, p. XVIII ff.) North America is credited with

5,073,431 million tons or over two-thirds of the world's total coal reserves (7,397,553 millions of tons). The coal reserve of Europe is 784,190 million tons or about one-fifth of the coal reserves of the United States alone.

Figures showing the amount of productive land and of timber may be verified. Those dealing with iron ore and coal in the ground are mere estimates and should be treated as such. At the same time they give a rough idea of the economic situation. Of all the essential resources,—land, timber, iron, copper, coal, petroleum and water-power,—the United States has large supplies. As compared with Europe, her supply of most of them is enormous. No other single country (the British Empire is not a single country) that is now competing for the supremacy of the world can compare with the United States in this regard, and if North America be taken as the unit of discussion, its preponderance is enormous.

3. The Capital of the United States

The United States apparently enjoys a large superiority over any single country in its reserves of some of the most essential resources. The same thing is true of productive machinery.

Figures showing the actual quantities of capital are available in only a small number of cases. Estimates of capital value in terms of money are useless. It is only the figures which show numbers of machines that really give a basis for judging actual differences.

Live stock on farms, the chief form of agricultural capital, is reported for the various countries in the Year Book of the United States Department of Agriculture. The United States (1916) heads the list with 61.9 million cattle; 67.8 million hogs; 48.6 million sheep and goats, and 25.8 million horses and mules,—204 million farm animals in all. The Russian Empire (including Russia in Asia) is second (1914) with 52.0 million cattle; 15.0 hogs; 72.0 million sheep

and goats, and 34.9 horses and mules,—174 million farm animals in all. British India (1914) reports more cattle than any other country (140.5 million); she is also second in the number of sheep and goats with 64.7 millions, but she has no hogs and 1.9 million horses. Argentina (1914) reports 29.5 million cattle; 2.9 million sheep and goats; and 8.9 million horses and mules. The number of animals on European farms outside of Russia is comparatively small. Germany (1914), United Kingdom (1916), Austria-Hungary (1913), and France (1916) reported 61.8 million cattle, 46.6 million hogs, 60.8 million sheep and goats, and 11.5 million horses and mules, making a total of 180.7 million farm animals. These four countries with a population of about 206 million persons, had less live stock than the United States with its population (1916) of about 100 millions.

It would be interesting to compare the amount of farm machinery and farm equipment of the United States with that of other countries. Unfortunately no such figures are available.

The figures showing transportation capital are fairly complete. (*Statistical Abstr.* 1918, pp. 844-5.) The total railroad mileage of the world is 729,845. More than one-third of this mileage (266,381 miles) is in the United States. Russia (1916) comes second with 48,950 miles; Germany (1914) third, with 38,600 miles and Canada (1916) fourth with 37,437 miles.

The world's total mileage of telegraph wire (*Ibid.*) is 5,816,219, of which the United States has more than a fourth (1,627,342 miles). Russia (1916) is second with 537,208 miles; Germany (1914) is third with 475,551 miles; and France fourth with 452,192 miles.

The Bureau of Railway Economics has published a compilation on "Comparative Railway Statistics" (*Bulletin 100*, Washington, 1916) from which it appears that the United States is far ahead of any other country in its railroad equipment. The total number of locomotives in the United States was 64,760; in Germany 29,520; in United

Kingdom 24,718; in Russia (1910) 19,984; and in France 13,828. No other country in the world had as many as ten thousand locomotives. If these figures also showed the locomotive tonnage as well as the number, the lead of the United States would be even more decided as the European locomotives are generally smaller than those used in the United States. This fact is clearly brought out by the figures from the same bulletin showing freight car tonnage (total carrying capacity of all cars). For the United States the tonnage was (1913) 86,978,145. The tonnage of Germany was 10.7 million; of France 5.0 millions; of Austria-Hungary 3.8 millions. The figures for the United Kingdom were not available.

The United States also takes the lead in postal equipment. (*Stat. Abstr.*, 1918, pp. 844-5.) There are 324,869 post offices in the world; 54,257 or one-sixth in the United States. The postal routes of the world cover 2,513,997 miles, of which 450,954 miles are in the United States. The total miles of mail service for the world is 2,061 millions. Of this number the United States has 601.3 millions.

The most extreme contrast between transportation capital in the United States and foreign countries is furnished by the number of automobiles. *Facts and Figures*, the official organ of the National Automobile Chamber of Commerce (April, 1919) estimates the total number of cars in use on January 1, 1917 as 4,219,246. Of this number almost six-sevenths (3,500,000) were in use in the United States. The total number of cars in Europe as estimated by the Fiat Press Bureau, Italy, was 437,558, or less than one-seventh of the number in use in the United States. Automobile distribution is of peculiar significance because the industry has developed almost entirely since the Spanish-American War and therefore since the time when the United States first began to develop into a world power.

The world's cotton spindlage in 1919 is estimated at 149.4 million spindles. (Letter from T. H. Price 10/6/19.) Of this total Great Britain has 57.0 millions; the United States 33.7 millions; Germany 11.0 millions; Russia 8.0 millions, and France and India each 7.0 millions.

No effort has been made to cite figures showing the estimated value of various forms of capital, because of the necessary variations in value standards. Enough material showing actual quantities of capital has been presented to prove that in agriculture, in transportation, in certain lines of manufacturing the United States is either at the head of the list, or else stands in second place. In transportation capital (particularly automobiles) the lead of the United States is very great.

If figures were available to show the relative amounts of capital used in mining, in merchandising, and in financial transactions they would probably show an equally great advantage in favor of the United States. In this connection it might not be irrelevant to note that in 1915 the total stock of gold money in the world was 8,258 millions of dollars. More than a quarter (2,299 millions) was in the United States. The total stock of silver money was 2,441 millions of dollars of which 756 millions (nearly a third) was in the United States. (*Stat. Abstr.*, 1918, pp. 840-1.)

4. *Products of the United States*

Figures showing the amounts of the principal commodities produced in the United States are far more complete than those covering the resources and capital. They are perhaps the best index of the present economic position of the United States in relation to the other countries of the world.

The wheat crop of the world in 1916 was 3,701.3 million bushels. Russia, including Siberia, was the leading producer with 686.3 million bushels. The United States was second with 636.7 million bushels or 17 per cent of the world's output. British India, the third wheat producer, had a crop in 1916 of 323.0 million bushels. Canada, with 262.8 million bushels, was fourth on the list. Thus Canada and the United States combined produced almost exactly one-fourth of the world's wheat crop.

As a producer of corn the United States is without a peer. The world's corn crop in 1916 was 3,642.1 million bushels. Two-thirds of this crop (2,566.9 million bushels) was produced in the United States.

The position of the United States as a producer of corn is almost duplicated in the case of cotton. The *Statistical Abstract* published by the British Government (No. 39, London, 1914, p. 522) gives the world's cotton production as 21,659,000 bales (1912). Of this number the United States produced 14,313,000—almost exactly two-thirds. British India, which ranks second, reported a production of 3,203,000 bales. Egypt was third with 1,471,000 bales.

About one-tenth of the world's output of wool is produced in the United States. World production for 1917 is placed at 2,790,000 pounds. (*Bulletin*, National Association of Wool Manufacturers. 1918, p. 162.) Australia heads the list with a production of 741.8 million pounds. Russia, including Siberia, comes second with 380.0 million pounds. The United States is third with 285.6 million pounds and Argentina fourth with 258.3 million pounds.

The United States leads the world in timber production. "Last winter we estimated that the United States has been cutting about 50 per cent of the total world's supply of lumber." (Letter from Chief of Forest Investigation. U. S. Forest Service. Oct. 11, 1919.) The same letter gives the present annual timber cut. The United States 12.5 billion cubic feet; Russia 7.1 billion cubic feet; Canada 3.0 billion cubic feet; Austria-Hungary 2.7 billion cubic feet.

A third of the iron ore produced in the world in 1912 came from the United States. The world's production in that year was 154.0 million tons (*British Statistical Abstract*, No. 39, p. 492). The United States produced 56.1 million tons or 36 per cent of the whole; Germany produced 32.7 million tons; France 19.2 million tons; the United Kingdom 14.0 million tons. No other country is reported as producing as much as ten million tons.

The position of the United States as a producer of iron and steel was greatly enhanced by the war. *The Daily*

Consular and Trade Reports (July 9, 1919, p. 155) give a comparison between the world's steel and iron output in 1914 and 1918. In 1914 the United States produced 23.3 million tons of pig iron; Germany produced 14.4 million tons; the United Kingdom 8.9 million tons, and France 5.2 million tons. The United States was thus producing 45 per cent of the pig iron turned out in these four countries. For 1918 the pig iron production of the United States was 39.1 million tons. That of the other three countries was 22.0 million tons. In that year the United States produced 64 per cent of the pig iron product of these four countries. An equally great lead is shown in the case of steel production. In 1914 the United States produced 23.5 million tons of steel. Germany, the United Kingdom and France produced 27.6 million tons. By 1918 the production of the United States had nearly doubled (45.1 million tons).

The total pig iron output of the world for 1917 was placed at 66.9 millions of tons. The world's production of steel in 1916 was placed at 83 million tons. The United States produced considerably more than half of both commodities. ("The Mineral Industry During 1918." New York, McGraw Hill Book Co., 1919, pp. 379-80).

The two chief forms of power upon which modern industry depends are petroleum and coal. The United States is the largest producer of both of these commodities. The world's production of petroleum in 1917 was 506.7 million barrels (*Mineral Resources*, 1917, Part II, p. 867). Of this amount the United States produced 335.3 million barrels or 66 per cent of the total. The second largest producer, Russia, and the third, Mexico, are credited with 69 million barrels and 55.3 million barrels respectively.

As a coal producer the United States stands far ahead of all other nations. The United States Geological Survey (*Special Report*, No. 118) placed the total coal production of the world in 1913 at 1,478 million tons. Of this amount 569.9 million tons (38.5 per cent) were produced in the United States. The production for Great Britain was 321.7 million tons; for Germany 305.7 million tons; for Austria-

Hungary 60.6 million tons. No other country reported a production of as much as fifty million tons. In 1915 the United States produced 40.5 per cent of the world's coal; in 1917 44.2 per cent; in 1918 46.2 per cent.

Copper has become one of the world's chief metals. Two-thirds of all the copper is produced in the United States. Copper production in 1916 totaled 3,107 million pounds (*Mineral Resources in the United States*, 1916, part I, p. 625). The production for the United States was 1,927.9 million pounds (62 per cent of the whole). The second largest producer, Japan, turned out 179.2 million pounds.

The precious metals, gold and silver, are largely produced in the United States. The world's gold production for 1917 was 423.6 million dollars (*Mineral Resources*, 1917, p. 613). Africa produced half of this amount (214.6 million dollars). The United States was second with a production of 83.8 million dollars (20 per cent of the whole). The same publication (p. 615) gives the world's silver production in 1917 as 164 million ounces. 77.1 million ounces (43 per cent) were produced in the United States. The second largest producer was Mexico, 31.2 million ounces; and the third Canada, with 22.3 million ounces. These three North American countries produced 76 per cent of the world's output of silver.

Judge Gary, speaking at the Annual Meeting of the Iron and Steel Institute (1920) put the situation in this summary form:—

As frequently stated, notwithstanding the United States has only 6% of the world's population and 7% of the world's land, yet we produce:

- 20% of the world's supply of gold,
- 25% of the world's supply of wheat,
- 40% of the world's supply of iron and steel,
- 40% of the world's supply of lead,
- 40% of the world's supply of silver,
- 50% of the world's supply of zinc,
- 52% of the world's supply of coal,

60% of the world's supply of aluminum,
60% of the world's supply of copper,
60% of the world's supply of cotton,
66% of the world's supply of oil,
75% of the world's supply of corn,
85% of the world's supply of automobiles.

With the exception of rubber, practically all of the essential raw materials and food products upon which modern industrial society depends are produced largely in the United States. With less than a sixteenth of the world's population, the United States produced from a fifth to two-thirds of most of the world's essential products.

6. *Shipping*

The rapid increase in the foreign trade of the United States created a demand for American shipping facilities. Before the Civil War the United States held a place as a maritime nation. Between the Civil War and the war with Spain the energies of the American people were devoted to internal improvement. With the advent of expansion that followed the Spanish-American War, came an insistent demand that the United States develop a merchant marine adequate to carry its own foreign trade.

The United States Commissioner of Navigation in his report for 1917 (p. 78) gives the net gross tonnage of steam and sailing vessels in 1914 as 45 million tons in all. The tonnage of Great Britain was 19.8 million tons; of Germany 4.9 million tons; of the United States 3.5 million tons; of Norway 2.4 million tons; of France 2.2 million tons; of Japan 1.7 million tons, and of Italy 1.6 million tons.

The war brought about great changes in the distribution of the world's shipping. Germany was practically eliminated as a shipping nation. The necessity of recouping the submarine losses, and of transporting troops and supplies led the United States to adopt a ship-building program

that made her the second maritime country of the world. Lloyd's Register of Shipping gives the steam tonnage of the United Kingdom as 18,111,000 gross tons in June, 1920. For the same month the tonnage of the United States is given as 12,406,000 gross tons. Japan comes next with a tonnage of 2,996,000 gross tons. According to the same authority the United Kingdom had 41.6 per cent of the world's tonnage in 1914 and 33.6 per cent in 1920; while the United States had 4.7 per cent of the world's tonnage in 1914 and 24 per cent in 1920.

7. *Wealth and Income*

The economic advantages of the United States enumerated in this chapter inevitably are reflected in the figures of national wealth and national income. While these figures are estimates rather than conclusive statements they are, nevertheless, indicative of a general situation.

During the war a number of attempts were made to approximate the pre-war wealth and income of the leading nations. Perhaps the most ambitious of these efforts was contained in a paper on "Wealth and Income of the Chief Powers" read before the Royal Statistical Society. (See *The London Economist*, May 24, 1919, pp. 958-9.) This and other estimates were compiled by L. R. Gottlieb and printed in the *Quarterly Journal of Economics* for Nov. 1919. Mr. Gottlieb estimates the pre-war national wealth of Great Britain, France, Italy, Japan, Russia, Belgium, Germany, Austria-Hungary, Turkey and Bulgaria at 366,100 million dollars. At the same time the wealth of the United States was estimated at 204,400 million dollars. Thus the wealth of the United States was equal to about 36 per cent of the total wealth of the great nations in question.

The same article contains an estimate of pre-war national incomes for these great powers. The total is placed at 81,100 million dollars. The income for the United States is placed at 35,300 million dollars, or more than 43 per cent of the total.

The war has made important changes in the wealth and income of the principal powers. The wealth and income of Europe have been reduced, while the wealth and income of the United States have been greatly increased. This increase is rendered doubly emphatic by the demoralization in foreign exchange which gives the American dollar a position of unique authority in the financial world.

The latest wealth estimates (*Commerce and Finance*, May 26, and July 28, 1920) in terms of dollars at their purchasing-power value, makes the wealth of the whole British Empire 230 billions of dollars; of France, 100 billions; of Russia, 60 billions; of Italy, 40 billions; of Japan, 40 billions; of Germany, 20 billions, and of the United States, 500 billions. These figures are subject to alteration with the alteration of the exchange rates, but they indicate the immense advantage that is possessed by the business men of the United States over the business men of any or of all of the other nations of the world.

Before the war, the British were the chief lenders in the international field. In 1913 Great Britain had about 20 billions of dollars of foreign investments, as compared with 9 billions for France and about 6 billions for Germany. At the end of 1920, the British foreign investments had shrunk to a fraction of their former amount, while the United States, from the position of a debtor nation, had become the leading investing nation of the world, with over 9 billions of dollars loaned to the Allied governments; with notice loans estimated at over 10 billions; with foreign investments of 8 billions, and goods on consignment to the extent of 2 billions.

The United States therefore began the year 1921 with a greater financial lead, by several times over, than that which she held before the war, when she was credited with a greater wealth and a larger income than that of any other nation in the world. The extent of the advantage enjoyed by the United States at the end of 1920 cannot be stated with any final accuracy, but its proportions are staggering.

8. *The Economic Position of the United States*

Economically the United States is a world power. She occupies one of the three great geographical areas in the temperate zone. If she were to include Canada, Mexico and Central America—the territory north of the Canal Zone—she would have the greatest unified body of economic advantage anywhere in the world.

The United States is rich in practically all of the important industrial resources. She has a large, relatively homogeneous population, a great part of which is directly descended from the conquering races of the world. Almost all of the essential raw materials are produced in the United States, and in relatively large quantities. The period since the Spanish War has witnessed a rapid increase in wealth production. The war of 1914 resulted in an even greater increase in shipping. The investable surplus is greater in the United States than in any other nation, and in amount as well as in percent the national debt is less than that in any other important nation except Japan. Economically the position of the United States is unique. The masters of her industries hold a position of great advantage in the capitalist world.

XIV. THE PARTITION OF THE EARTH

1. *Economic Power and Political Authority*

ECONOMICALLY the United States is a world power. Her world position in politics follows as a matter of course.

While the American people were busy with internal development, they played an unimportant part in world affairs. They were not competing for world trade, because they had relatively little to export; they were not building a merchant marine because of the smallness of their trading activities; they were not engaged in the scramble after undeveloped countries because, with an undeveloped country of their own, calling continually for enlarged investments, they had little surplus capital to employ in foreign enterprises.

This economic isolation of the United States was reflected in an equally thoroughgoing political isolation. With the exception of the Monroe Doctrine, which in its original form was intended as a measure of defense against foreign political and military aggression, the United States minded its own affairs, and allowed the remainder of the world to go its way. From time to time, as necessity arose, additional territory was purchased or taken from neighboring countries—but all of these transactions, up to the annexation of Hawaii (1898) were confined to the continent of North America, in which no European nation, with the exception of Great Britain, had any imperative territorial interest.

The economic changes which immediately preceded the Spanish War period commanded for the United States a place among the nations. The passing of economic aloof-

ness marked the passing of political aloofness, and the United States entered upon a new era of international relationships. Possessed of abundant natural resources, and having through a long period of peace developed a large working capital with which these resources might be exploited, the United States, at the beginning of the twentieth century, was in a position to export, to trade and to invest in foreign enterprises.

The advent of the World War gave the United States a dramatic opportunity to take a position which she must have assumed in any case in a comparatively short time. It had, however, one signal, diplomatic advantage,—it enabled the capitalist governments of Europe to accept, with an excellent grace, the newly acquired economic prominence of the United States and to recognize her without question as one of the leading political powers. The loan of ten billions to Europe; the sending of two million men at double quick time to the battle front; the immense increases in the production of raw material that followed the declaration of war by the United States; the thoroughness displayed by the American people, once they had decided to enter the war, all played their part in the winning of the victory. There were feelings, very strongly expressed, that the United States should have come in sooner; should have sacrificed more and profiteered less. But once in, there could be no question either of the spirit of her armies or of the vast economic power behind them.

When it came to dividing the spoils of victory, the United States held, not only the purse strings, but the largest surpluses of food and raw materials as well. Her diplomacy at the Peace Table was weak. Her representatives, inexperienced in such matters, were no match for the trained diplomats of Europe, but her economic position was unquestioned, as was her right to take her place as one of the "big five."

2. *Dividing the Spoils*

The Peace Conference, for purposes of treaty making, separated the nations of the world into five classes:

1. The great capitalist nations.
2. The lesser capitalist states.
3. Enemy nations.
4. Undeveloped territories.
5. The socialist states.

The great capitalist states were five in number—Great Britain, France, Italy, Japan and the United States. These five states dominated the armistice commission and the Peace Conference and they were expected to dominate the League of Nations. The position of these five powers was clearly set forth in the regulations governing procedure at the Peace Conference. Rule I reads: "The belligerent powers with general interests—the United States of America, the British Empire, France, Italy and Japan—shall take part in all meetings and commissions." (*New York Times*, January 20, 1919.) Under this rule the Big Five were the Peace Conference, and throughout the subsequent negotiations they continued to act the part.

The same concentration of authority was read into the revised covenant of the League of Nations. Article 4 provides that the Executive Council of the League "shall consist of the representatives of the United States of America, of the British Empire, of France, of Italy and of Japan, together with four other members of the League." The authority of the Big Five was to be maintained by giving them five votes out of nine on the executive council of the League, no matter how many other nations might become members.

It was among the Big Five, furthermore, that the spoils of victory were divided. The Big Five enjoyed a full meal; the lesser capitalist states had the crumbs.

The enemy nations were stripped bare. Their colonies were taken, their foreign investments were confiscated, their merchant ships were appropriated, they were loaded down with enormous indemnities, they were dismembered. In short, they were rendered incapable of future economic competition. The thoroughgoing way in which this stripping was accomplished is discussed in detail by J. M. Keynes in "The Economic Consequences of the Peace" (chapters 4 and 5).

The undeveloped territories—the economic opportunities upon which the Big Five were relying for the disposal of their surplus products and surplus capital, were carved and handed about as a butcher carves a carcass. Shantung, which Germany had taken from China, was turned over to Japan under circumstances which made it impossible for China to sign the Treaty—thus leaving her territory open for further aggression. The Near East was divided between Great Britain, France and Italy. Mexico was not invited to sign the treaty and her name was omitted from the list of those eligible to join the League. The German possessions in Africa and in the Pacific were distributed in the form of "mandates" to the Great Powers. The principle underlying this distribution was that all of the unexploited territory should go to the capitalist victors for exploitation. The proportions of the division had been established, previously, in a series of secret treaties that had been entered into during the earlier years of the war.

With the Big Five in control, with the lesser capitalist states silenced; with the border states made or in the making; with the enemy reduced to economic impotence, and the unexploited portions of the world assigned for exploitation, the conference was compelled to face still another problem—the Socialist Republic of Russia.

Russia, Czar ridden and oppressed, had entered the war as an ally of France and Great Britain. Russia, unshackled and attempting self-government on an economic basis, was an "enemy of civilization." The Allies therefore supported counter-revolution, organized and encour-

aged warfare by the border states, established and maintained a blockade, the purpose of which was the starvation of the Russian people into submission, and did all that money, munitions, supplies, battleships and army divisions could do to destroy the results of the Russian Revolution.

The Big Five—assuming to speak for all of the twenty-three nations that had declared war on Germany—manipulated the geography of Europe, reduced their enemies to penury, disposed of millions of square miles of territory and tens of millions of human beings as a gardener disposes of his produce, and then turned their united strength to the task of crushing the only thing approaching self-government that Russia has had for centuries.

A more shameless exhibition of imperial lust is not recorded in history. Never before were five nations in a position to sit down at one table and decide the political fate of the world. The opportunity was unique, and yet the statesmen of the world played the old, savage game of imperial aggression and domination.

This brutal policy of dealing with the world and its people was accepted by the United States. Throughout the Conference her representatives occupied a commanding position; at any time they would have been able to speak with a voice of almost conclusive authority; they chose, nevertheless, to play their part in this imperial spectacle. To be sure the Senate refused to ratify the Treaty,—not because of its imperial iniquities, but rather because there was nothing in it for the United States.

3. Italy, France and Japan

The shares of spoil falling to Italy and France as a result of the treaty are comparatively small although both countries—and particularly France—carried a terrific war burden. Japan, the least active of any of the leading participants in the war, received territory of vast importance to her future development.

Italy,—under the secret treaty of London, signed April 26, 1915, by the representatives of Russia, France, Great Britain and Italy,—was to receive that part of Austria known as the Trentine, the entire southern Tyrol, the city and suburbs of Trieste, the Istrian Islands and the province of Dalmatia with various adjacent islands. Furthermore, Article IX of the Treaty stipulated that, in the division of Turkey, Italy should be entitled to an equal share in the basin of the Mediterranean, and specifically to the province of Adalia. Under Article XIII, “In the event of the expansion of French and English colonial domains in Africa at the expense of Germany, France and Great Britain recognize in principle the Italian right to demand for herself certain compensations in the sense of expansions of her lands in Erithria, Somaliland, in Lybia and colonial districts lying on the boundary, with the colonies of France and England.” Substantially, this plan was followed in the Peace Treaty.

The territorial claims of France were simple. The secret treaties include a note from the French Minister of Foreign Affairs to the French Ambassador at Petrograd, dated February 1-14, 1917, which stated that under the Peace Treaty:

“(1) Alsace and Lorraine to be returned to France.

“(2) The boundaries will be extended at least to the limits of the former principality of Lorraine, and will be fixed under the direction of the French Government. At the same time strategic demands must be taken into consideration, so as to include within the French territory the whole of the industrial iron basin of Lorraine and the whole of the industrial coal-basin of the Saar.”

The Peace Treaty confirmed these provisions, with the exception of the Saar Valley, which is to go to France for 15 years under conditions which will ultimately cause its annexation to France if she desires it. France also gained some slight territorial concessions in Africa. Her real ad-

vantage—as a result of the peace—lies in the control of the three provinces with their valuable mineral deposits.

The territorial ambitions of Japan were confined to the Far East. The former Russian Ambassador to Tokio, under date of February 8, 1917, makes the statement that Japan was desirous of securing “the succession to all the rights and privileges possessed by Germany in the Shantung province and for the acquisition of the islands north of the Equator.” In a secret treaty with Great Britain, Japan secured a guarantee covering such a division of the German holdings in the Pacific.

These concessions are of great importance to Japan. By the terms of the Treaty one of her rivals for the trade of the East (Germany) is eliminated, and the territory of that rival goes to Japan. With the control of Port Arthur and Korea and Shantung, Japan holds the gateway to the heart of Northern China. The islands gained by Japan as a result of the Treaty give her a barrier extending from the Kurile Islands, near Kamchatka, through the Empire of Japan proper, to Formosa. Farther out in the Pacific, there are the Ladrones, the Carolines and the Pelew Islands, which, in combination, make a series of submarine bases that render attack by sea difficult or impossible, and that lie, incidentally, between the United States and the Philippine Islands. Japan came away from the Peace Conference with the key to the East in her pocket.

4. *The Lion's Share*

The lion's share of the Peace Conference spoil went to Great Britain. To each of the other participants, certain concessions, agreed upon beforehand, were made. The remainder of the war-spoil was added to the British Empire. This “remainder” comprised at least a million and half square miles of territory, and included some of the most important resources in the world.

The territorial gains of Great Britain cover four areas—the Near East, the Far East, Africa, and the South Pacific.

The gains of Great Britain in the Near East include Hedjez and Yemen, the control of which gives the British possession of virtually all of the territory bordering on the Red Sea. The Persian Gulf is likewise placed under British control, through her holding of Mesopotamia and her control over Persia and Oman. The eastern end of the Mediterranean is held by the British through their control of Palestine.

Thus the gateway to the East,—both by land and by sea, the eastern shores of the Mediterranean, the valleys of the Tigris and the Euphrates and the basin of the Red Sea all fall into the hands of the British, who now hold the heart of the Near East. The gains of Great Britain in Africa include Togoland, German Southwest Africa and German East Africa. With these accessions of territory, Great Britain holds a continuous stretch of country from the Cape to Cairo. A British subject can therefore travel on British soil from Cape Town via the Isthmus of Suez, to Siam, covering a distance as the crow flies of something like 10,000 miles.

The British gains in the South Pacific include Kaiser Wilhelm Land and the German islands south of the Equator.

What these territorial gains mean in the way of additional resources for the industries of the home country, only the future can decide. Certain it is, that outside of the Americas, Central Europe, Russia, China and Japan, Great Britain succeeded in annexing most of the important territory of the world.

The *Chicago Tribune*, in one of its charmingly frank editorials, thus describes the gains to the British Empire as a result of the war. "The British mopped up. They opened up their highway from Cairo to the Cape. They reached out from India and took the rich lands of the Euphrates. They won Mesopotamia and Syria in the war. They won Persia in diplomacy. They won the east coast of the Red Sea. They put protecting territory about

Egypt and gave India bulwarks. They made the eastern dream of the Germans a British reality.

"The British never had their trade routes so guarded as now. They never had their supremacy of the sea so firmly established. Their naval competitor, Germany, is gone. No navy threatens them. No empire approximates their size, power, and influence.

"This is the golden age of the British Empire, its Augustan age. Any imperialistic nation would have fought any war at any time to obtain such results, and as imperialistic nations count costs, the British cost, in spite of its great sums in men and money was small." (January 4, 1920.)

5. Half the World—Without a Struggle

Two significant facts stand out in this record of spoils distribution. One is that Great Britain received the lion's share of them in Asia and Africa. The other, that there is no mention of the Americas. Outside of the Western Hemisphere, Great Britain is mistress. In the Americas, with the exception of Canada, the United States is supreme.

There are two reasons for this. One is that Germany's ambitions and possessions included Asia and Africa primarily—and not America. The other is that the Peace Conference recognized the right of the United States to dominate the Western Hemisphere.

The representatives of the United States declared that their country was asking for nothing from the Peace Conference. Nevertheless, the insistent clamor from across the water led the American delegation to secure the insertion in the revised League Covenant of Article XXI which read: "Nothing in this covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe Doctrine for securing the maintenance of peace." This article coupled with the first portion of Article X, "The

members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League," guarantees to the United States complete authority over Latin America, reserving to her political suzerainty and economic priority.

The half of the earth reserved to the United States under these provisions contains some of the richest mineral deposits, some of the largest timber areas, and some of the best agricultural territory in the world. Thus at the opening of the new era, the United States, at the cost of a comparatively small outlay in men and money, has guaranteed to her by all of the leading capitalist powers practically an exclusive privilege for the exploitation of the Western Hemisphere.

XV. PAN-AMERICANISM

1. *America for the Americans*

IN the partition of the earth, one-half was left under the control of the United States. Among the great nations, parties to the war and the peace, the United States alone asked for nothing—save the acceptance by the world of the Monroe Doctrine. The doctrine, as generally understood, makes her mistress of the Western Hemisphere.

The Monroe Doctrine originated in the efforts of Latin America to establish its independence of imperial Europe, and the counter efforts of imperial Europe to fasten its authority on the newly created Latin American Republics. President Monroe, aroused by the European crusade against popular government, wrote a message to Congress (1823) in which he stated the position of the United States as follows:

“The American continents, by the free and independent condition which they have assumed and maintained, are henceforth not to be considered as subjects for future colonization by any European powers.”

Monroe continues by pointing out that the United States must view any act which aims to establish European authority in the Americas as “dangerous to our peace and safety.”

“The United States will keep her hands off Europe; she will expect Europe to keep her hands off America,” was the essence of the doctrine, which has been popularly expressed in the phrase “America for the Americans.” The Doctrine was thus a statement of international aloofness,—a declaration of American independence of the remainder of the world.

The Monroe Doctrine soon lost its political character. The southern statesmen who were then guiding the destinies of the United States were looking with longing eyes into Texas, Mexico, Cuba and other potential slave-holding territory. Later, the economic necessities of the northern capitalists led them in the same direction. Professor Roland G. Usher, in his "Pan-Americanism" (New York, The Century Company, 1915, pp. 391-392) insists that the Monroe Doctrine stands "First, for our incontrovertible right of self-defense. In the second place the Monroe Doctrine has stood for the equally undoubted right of the United States to champion and protect its primary economic interest against Europe or America."

Through the course of a century this statement of defensive policy has been converted into a doctrine of economic pseudo-sovereignty. It is no longer a case of keeping Europe out of Latin America but of getting the United States into Latin America.

The United States does not fear political aggression by Europe against the Western Hemisphere. On the contrary, the aggression to-day is largely economic, and the struggle for the markets and the investment opportunities of Latin America is being waged by the capitalists of every great industrial nation, including the United States.

2. *Latin America*

Four of the Latin American countries, viewed from the standpoint of population and of immediately available assets, rank far ahead of the remainder of Latin America. Mexico, with a population in 1914-1915 of 15,502,000, had an annual government revenue of \$72,687,000. The population of Brazil is 27,474,000. The annual revenue (1919) is \$183,615,000. Argentine, with a population of 8,284,000, reported annual revenues of \$159,000,000 (1918); and Chile, with a population of 3,870,000, had an annual revenue of \$77,964,000 (1917). These four states rank in political and economic importance close to Canada.

Great Britain holds a number of strategic positions in the West Indies. Other nations have minor possessions in Latin America. None of these possessions, however, is of considerable economic or political importance. There remain Bolivia, Uruguay, Colombia, Ecuador, Paraguay, Peru, Venezuela, and the Central American states. The most populous of these countries is Peru (5,800,000 persons). All of the Central American states combined have a population of less than 6,000,000. The annual revenues of Uruguay (population 1,407,000) are \$30,453,000 (1918-19). The combined government revenues of all Central America are less than twenty-five millions. (*Statistical Abstract of the U. S.*, 1919, p. 826ff.)

Compared with the hundred million population of the United States; its estimated wealth (1918) of 250 billions; and its federal revenues of a billion and a half in 1916, the Latin American republics cut a very small figure indeed. The United States, bristling with economic surplus and armed with the Monroe Doctrine, as accepted and interpreted in the League Covenant, is free to turn her attention to the rich opportunities offered by the undeveloped territory stretching from the Rio Grande to Cape Horn. What is there to hinder her movements in this direction? Nothing but the limitation on her own needs and the adherence to her own public policies. This vast area, containing approximately nine million square miles (three times the area of continental United States), has a population of only a little over seventy millions. The entire government revenues of the territory are in the neighborhood of six hundred million, but so widely scattered are the people, so sharp are their nationalistic differences, and so completely have they failed to build up anything like an effective league to protect their common interests, that skillful maneuvering on the part of American economic and political interests should meet with no effectual or thoroughgoing opposition.

The "hands off America" doctrine which the United States has enunciated, and which Europe has accepted,

means first that none of the Latin American Republics is permitted to enter into any entangling alliances without the approval of the United States. In the second place it means that the United States is free to treat all Latin American countries in the same way that she has treated Cuba, Hayti and Nicaragua during the past twenty years.

3. *Economic "Latin America"*

The United States is the chief producer—in the Western Hemisphere—of the manufactured supplies needed by the relatively undeveloped countries of Latin America. At the same time, the undeveloped countries of Latin America contain great supplies of ores, minerals, timber and other raw materials that are needed by the expanding manufacturing interests of the United States. The United States is a country with an investible surplus. Latin America offers ample opportunity for the investment of that surplus. Surrounding the entire territory is a Chinese wall in the form of the Monroe Doctrine—intangible but none the less effective.

Before the outbreak of the Great War, European capitalists dominated the Latin American investment market. The five years of struggle did much to eliminate European influence in Latin America.

The situation was reviewed at length in a publication of the United States Department of Commerce "*Investments in Latin America and the British West Indies*," by Frederick M. Halsey (Washington Government Printing Office, 1918):

"Concerning the undeveloped wealth of various South American countries," writes Mr. Halsey, "it may be said that minerals exist in all the Republics, that the forest resources of all (except possibly Uruguay) are very extensive, that oil deposits have been found in almost every country and are worked commercially in Argentine, Colombia, Chile, Ecuador, Peru and Venezuela, and that there

are lands available for the raising of live stock and for agricultural purposes" (p. 20).

As to the pre-war investments, Mr. Halsey points out that "Great Britain has long been the largest investor in Latin America" (p. 20). The total of British investments he places at 5,250 millions of dollars. A third of this was invested in Argentine, a fifth in Brazil and nearly a sixth in Mexico. French investments are placed at about one and a half billions of dollars. The German investments were extensive, particularly in financial and trading institutions. United States investments in Latin America before the war "were negligible" (p. 19) outside of the investments in the mining industry and in the packing business.

Just how much of a shift the war has occasioned in the ownership of Latin American railways, public utilities, mines, etc., it is impossible to say. Some such change has occurred, however, and it is wholly in the interest of the United States.

Generalizations which apply to Latin America have no force in respect to Canada. The capitalism of Canada is closely akin to the capitalism of the United States.

Canada possesses certain important resources which are highly essential to the United States. Chief among them are agricultural land and timber. There are two methods by which the industrial interests of the United States might normally proceed with relations to the Canadian resources. One is to attack the situation politically, the other is to absorb it economically. The latter method is being pursued at the present time. To be sure there is a large annual emigration from the United States into Canada (approximately 50,000 in 1919) but capital is migrating faster than human beings.

The Canadian Bureau of Statistics reports (letter of May 20, 1920) on "Stocks, Bonds and other Securities held by incorporated and joint stock Companies engaged in manufacturing industries in Canada, 1918," as owned by 8,130,-

368 individual holders, distributed geographically as follows: Canada, \$945,444,000; Great Britain, \$153,758,000; United States, \$555,943,000, and other countries, \$17,221,322. Thus one-third of this form of Canadian investment is held in the United States.

4. *American Protectorates*

The close economic inter-relations that are developing in the Americas, naturally have their counter-part in the political field. As the business interests reach southward for oil, iron, sugar, and tobacco they are accompanied or followed by the protecting arm of the State Department in Washington. Few citizens of the United States realize how thoroughly the conduct of the government, particularly in the Caribbean, reflects the conduct of the bankers and the traders.

Professor Hart in his "New American History" (American Book Co., 1917, p. 634) writes, "In addition the United States between 1906 and 1916 obtained a protectorate over the neighboring Latin American States of Cuba, Hayti, Panama, Santo Domingo and Nicaragua. All together these five states include 157,000 square miles and 6,000,000 people." Professor Hart makes this statement under the general topic, "What America Has Done for the World."

The Monroe Doctrine, logically applied to Latin America, can have but one possible outcome. Professor Chester Lloyd Jones characterizes that outcome in the following words, "Steadily, quietly, almost unconsciously the extension of international responsibility southward has become practically a fixed policy with the State Department. It is a policy which the record of the last sixteen years shows is followed, not without protest from influential factions, it is true, but none the less followed, by administrations of both parties and decidedly different shades within one of the parties. . . . Protests will continue but the logic of events is too strong to be overthrown by traditional argu-

ment or prejudice." ("Caribbean Interests." New York, Appleton, 1916, p. 125.)

Latin America is in the grip of the Monroe Doctrine. Whether the individual states wish it or not they are the victims of a principle that has already shorn them of political sovereignty by making their foreign policy subject to veto by the United States, and that will eventually deprive them of control over their own internal affairs by placing the management of their economic activities under the direction of business interests centering in the United States. The protectorate which the United States will ultimately establish over Latin America was forecast in the treaty which "liberated" Cuba. The resolution declaring war upon Spain was prefaced by a preamble which demanded the independence of Cuba. Presumably this independence meant the right of self-government. Actually the sovereignty of Cuba is annihilated by the treaty of July 1, 1904, which provides:

"Article I. The Government of Cuba shall never enter into any treaty or compact with any foreign power or powers which will impair or tend to impair the independence of Cuba, nor in any matter authorize or permit any foreign power or powers to obtain by colonization or for military or naval purposes, or otherwise, lodgement in, or control over any portion of said island."

The most drastic limitations upon Cuba's sovereignty are contained in Article 3 which reads, "the Government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property and individual liberty, and for discharging the obligation with respect to Cuba imposed by the Treaty of Paris on the United States now to be assumed and undertaken by the Government of Cuba." Under this article, the United States, at her discretion, may intervene in Cuba's internal affairs.

Under these treaty provisions the Cuban Government is not only prevented from exercising normal governmental

functions in international matters, but if a change of internal government should take place which in the opinion of the United States jeopardized "life, property and individual liberty" such a government could be suppressed by the armed forces of the United States and a government established in conformity with her wishes. Theoretically, Cuba is an independent nation. Practically, Cuba has signed away in her treaty with the United States every important attribute of sovereignty.

The fact that Cuba was a war-prize of the United States might be advanced as an explanation of her anomalous position, were it not for the relations now existing between the Dominican Republic, Hayti and Nicaragua on the one hand and the United States on the other. The United States has never been at war with any of these countries, yet her authority over them is complete.

The Convention between the United States and the Dominican Republic, proclaimed July 25, 1907, gave the United States the right to appoint a receiver of Dominican customs in order that the financial affairs of the Republic might be placed on a sound basis. This appointment was followed in 1916 by the landing of the armed forces of the United States in the territory of the Dominican Republic. On November 29, 1916, a military government was set up by the United States Marine Corps under a proclamation approved by the President. "This military government at present conducts the administration of the government" (Letter from State Department, September 29, 1919).

The proclamation issued by the Commander of the United States Marine Corps and approved by the President, cited the failure of the Dominican government to live up to its treaty obligations because of internal dissensions and stated that the Republic is made subject to military government and to the exercise of military law applicable to such occupation. Dominican statutes "will continue in effect insofar as they do not conflict with the objects of the Occupation or necessary relations established thereunder, and their lawful administration will continue in the hands of such

duly authorized Dominican officials as may be necessary, all under the oversight and control of the United States forces exercising Military Government." The proclamation further announces that the Military Government will collect the revenues and hold them in trust for the Republic.

Following this proclamation Captain H. S. Knapp issued a drastic order providing for a press censorship. "Any comment which is intended to be published on the attitude of the United States Government, or upon anything connected with the Occupation and Military Government of Santo Domingo must first be submitted to the local censor for approval. In case of any violation of this rule the publication of any newspaper or periodical will be suspended; and responsible persons,—owners, editors, or others—will further be liable to punishment by the Military Government. The printing and distribution of posters, handbills, or similar means of propaganda in order to disseminate views unfavorable to the United States Government or to the Military Government in Santo Domingo is forbidden." (Order secured from the Navy Department and published by The American Union against Militarism, Dec. 13, 1916.)

A similar situation exists in Hayti. The treaty of May 3, 1916, provides that "The Government of the United States will, by its good officers, aid the Haitian Government in the proper and efficient development of its agricultural, mineral and commercial resources and in the establishment of the finances of Hayti on a firm and solid basis." (Article I) "The President of Hayti shall appoint upon nomination by the President of the United States a general receiver and such aids and employees as may be necessary to manage the customs. The President of Hayti shall also appoint a nominee of the President of the United States as 'financial adviser' who shall 'devise an adequate system of public accounting, aid in increasing revenues' and take such other steps 'as may be deemed necessary for the welfare and prosperity of Hayti.'" (Article II.) Article III guarantees "aid and protection of both countries to

the General Receiver and the Financial Adviser." Under Article X "The Haitian Government obligates itself . . . to create without delay an efficient constabulary, urban and rural, composed of native Haitians. This constabulary shall be organized and officered by Americans." The Haitian Government under Article XI, agrees not to "surrender any of the territory of the Republic by sale, lease or otherwise, or jurisdiction over such territory, to any foreign government or power" nor to enter into any treaty or contract that "will impair or tend to impair the independence of Hayti." Finally, to complete the subjugation of the Republic, Article XIV provides that "should the necessity occur, the United States will lend an efficient aid for the preservation of Haitian independence and the maintenance of a government adequate for the protection of life, property and individual liberty."

A year later, on August 20, 1917, the *New York Globe* carried the following advertisement:—

FORTUNE IN SUGAR

"The price of labor in practically all the cane sugar growing countries has gone steadily up for years, except in Hayti, where costs are lowest in the world.

"Hayti now is under U. S. Control.

"The Haitian-American corporation owns the best sugar lands in Hayti, owns railroads, wharf, light and power-plants, and is building sugar mills of the most modern design. There is assured income in the public utilities and large profits in the sugar business. We recommend the purchase of the stock of this corporation. Proceedings are being taken to list this stock on the New York Stock Exchange.

"Interesting story 'Sugar in Hayti' mailed on request.

"P. W. Chapman & Co., 53 William St., N. Y. C."

Hayti remained "under United States control" until the revelations of the summer of 1920 (see *The Nation*, July 10 and August 28, 1920), when it was shown that the natives were being compelled, by the American forces of occupation, to perform enforced labor on the roads and to accept a rule so tyrannous that thousands had refused to obey the orders of the military authorities, and had been shot for their pains. On October 14, 1920, the *New York Times* printed a statement from Brigadier General George Barnett, formerly Commandant General of the Marine Corps, covering the conditions in Hayti between the time the marines landed (July, 1915) and June, 1920. General Barnett alleges in his report that there was evidence of "indiscriminate" killing of the natives by the American Marines; that "shocking conditions" had been revealed in the trial of two members of the army of occupation, and that the enforced labor system should be abolished forthwith. The report shows that, during the five years of the occupation, 3,250 Haytians had been killed by the Americans. During the same period, the losses to the army of occupation were 1 officer and 12 men killed and 2 officers and 26 men wounded.

The attitude of the United States authorities toward the Haytians is well illustrated by the following telegram which the United States Acting Secretary of the Navy sent on October 2, 1915, to Admiral Caperton, in charge of the forces in Hayti: "Whenever the Haytians wish, you may permit the election of a president to take place. The election of Dartiguenave is preferred by the United States."

The Cuban Treaty established the precedent; the Great War provided the occasion, and while Great Britain was clinching her hold in Persia, and Japan was strengthening her grip on Korea, the United States was engaged in establishing protectorates over the smaller and weaker Latin-American peoples, who have been subjected, one after another, to the omnipotence of their "Sister Republic" of the North.

5. *The Appropriation of Territory*

Protectorates have been established by the United States, where such action seemed necessary, over some of the weaker Latin-American states. Their customs have been seized, their governments supplanted by military law and the "preservation of law and order" has been delegated to the Army and Navy of the United States. The United States has gone farther, and in Porto Rico and Panama has appropriated particular pieces of territory.

The Porto Ricans, during the Spanish-American War, welcomed the Americans as deliverers. The Americans, once in possession, held the Island of Porto Rico as securely as Great Britain holds India or Japan holds Korea. The Porto Ricans were not consulted. They had no opportunity for "self-determination." They were spoils of war and are held to-day as a part of the United States.

The Panama episode furnishes an even more striking instance of the policy that the United States has adopted toward Latin-American properties that seemed particularly necessary to her welfare.

Efforts to build a Panama Canal had covered centuries. When President Roosevelt took the matter in hand he found that the Government of Colombia was not inclined to grant the United States sovereignty over any portion of its territory. The treaty signed in 1846 and ratified in 1848 placed the good faith of the United States behind the guarantee that Colombia should enjoy her sovereign rights over the Isthmus. During November 1902 the United States ejected the representatives of Colombia from what is now the Panama Canal Zone and recognized a revolutionary government which immediately made the concessions necessary to enable the United States to begin its work of constructing the canal.

The issue is made clear by a statement of Mr. Roosevelt frequently reiterated by him (see *The Outlook*, October 7, 1911) and appearing in the *Washington Post* of March 24,

1911, as follows:—"I am interested in the Panama Canal because I started it. If I had followed the traditional conservative methods I would have submitted a dignified state paper of probably two hundred pages to the Congress and the debate would have been going on yet. But I took the Canal Zone and let the Congress debate, and while the debate goes on, the Canal does also."

Article 35 of the Treaty of 1846 between the United States and Colombia (then New Grenada) reads as follows,—"The United States guarantees, positively and efficaciously to New Grenada, by the present stipulation, the perfect neutrality of the before mentioned Isthmus . . . and the rights of sovereignty which New Grenada has and possesses over said territory."

In 1869 another treaty was negotiated between the United States and Colombia which provided for the building of a ship canal across the Isthmus. This treaty was signed by the presidents of both republics and ratified by the Colombian Congress. The United States Senate refused its assent to the treaty. Another treaty negotiated early in 1902 was ratified by the United States Senate but rejected by the Colombian Congress. The Congress of the United States had passed an act (June 28, 1902) "To provide for the construction of a canal connecting the waters of the Atlantic and the Pacific Oceans." Under this act the President was authorized to negotiate for the building of the canal across the Isthmus of Panama. If that proved impossible within a reasonable time, the President was to turn to the Nicaragua route. The treaty prepared in accordance with this act provided that the United States would pay Colombia ten millions of dollars in exchange for the sovereignty over the Canal Zone. The Colombian Congress after a lengthy debate rejected the treaty and adjourned on the last day of October, 1902.

Rumor had been general that if the treaty was not ratified by the Colombian Government, the State of Panama would secede from Colombia, sign the treaty, and thus secure the ten millions. In consequence of these rumors, which

threatened transportation across the Isthmus, American war vessels were dispatched to Panama and to Colon.

On November 3, 1902, the Republic of Panama was established. On November 13 it was recognized by the United States. Immediately thereafter a treaty was prepared and ratified by both governments and the ten millions were paid to the Government of Panama.

Early in the day of November 3, the Department of State was informed that an uprising had occurred. Mr. Loomis wired, "Uprising on Isthmus reported. Keep Department promptly and fully informed." In reply to this the American consul replied, "The uprising has not occurred yet; it is announced that it will take place this evening. The situation is critical." Later the same official advised the Department that (in the words of the Presidential message, 1904) "the uprising had occurred and had been successful with no bloodshed."

The Colombian Government had sent troops to put down the insurrection but the Commander of the United States forces, acting under instructions sent from Washington on November 2, prevented the transportation of the troops. His instructions were as follows,—“Maintain free and uninterrupted transit if interruption is threatened by armed force with hostile intent, either governmental or insurgent, at any point within fifty miles of Panama. Government forces reported approaching the Isthmus in vessels. Prevent their landing, if, in your judgment, the landing would precipitate a conflict.”

Thus a revolution was consummated under the watchful eye of the United States forces; the home government at Bogota was prevented from taking any steps to secure the return of the seceding state of Panama to her lawful sovereignty, and within ten days of the revolution, the new Republic was recognized by the United States Government.¹

¹ For further details see "The Panama Canal" Papers presented to the Senate by Mr. Lodge, Senate Document 471, 63rd Congress, 2nd Session.

(Ten days was the length of time necessary to transmit a letter from Panama to Washington. Greater speed would have been impossible unless the new state had been recognized by telegraph.)

6. *The Logical Exploiters*

The people of the United States are the logical exploiters of the Western Hemisphere—the children of destiny for one half the world. They are pressed by economic necessity. They need the oil of Mexico, the coffee of Brazil, the beef of Argentine, the iron of Chile, the sugar of Cuba, the tobacco of Porto Rico, the hemp of Yucatan, the wheat and timber of Canada. In exchange for these commodities the United States is prepared to ship manufactured products. Furthermore, the masters of the United States have an immense and growing surplus that must be invested in some paying field, such as that provided by the mines, agricultural projects, timber, oil deposits, railroad and other industrial activities of Latin-America.

The rulers of the United States are the victims of an economic necessity that compels them to seek and to find raw materials, markets and investment opportunities. They are also the possessors of sufficient economic, financial, military and naval power to make these needs good at their discretion.

The rapidly increasing funds of United States capital invested in Latin-America and Canada, will demand more and more protection. There is but one way for the United States to afford that protection—that is to see that these countries preserve law and order, respect property, and follow the wishes of United States diplomacy. Wherever a government fails in this respect, it will be necessary for the State Department in coöperation with the Navy, to see that a government is established that will “make good.”

Under the Monroe Doctrine, as it has long been interpreted, no Latin-American Government will be permitted

to enter into entangling alliances with Europe or Asia. Under the Monroe Doctrine, as it is now being interpreted, no Latin-American people will be permitted to organize a revolutionary government that abolishes the right of private interests to own the oil, coal, timber and other resources. The mere threat of such action by the Carranza Government was enough to show what the policy of the United States must be in such an emergency.

The United States need not dominate politically her weaker sister republics. It is not necessary for her to interfere with their "independence." So long as their resources may be exploited by American capitalists; so long as the investments are reasonably safe; so long as markets are open, and so long as the other necessities of United States capitalism are fulfilled, the smaller states of the Western Hemisphere will be left free to pursue their various ways in prosperity and peace.

XVI. THE AMERICAN CAPITALISTS AND WORLD EMPIRE

1. *The Plutocrats Must Carry On*

THE American plutocrats—those who by force of their wealth share in the direction of public policy—must carry on. They have no choice. If they are to continue as plutocrats, they must continue to rule. If they continue to rule, they must shoulder the duties of rulership. They may not relish the responsibility which their economic position has thrust upon them any more than the sojourners in Newfoundland relish the savage winters. Nevertheless, those who own the wealth of a capitalist nation must accept the results of that ownership just as those who remain in Newfoundland must accept the winter storms.

The owners of American timber, mines, factories, railroads, banks and newspapers may dislike the connotations of imperialism; may believe firmly in the principles of competition and individualism; may yearn for the nineteenth century isolation which was so intimate a feature of American economic life. But their longings are in vain. The old world has passed forever; the sun has risen on a new day—a day of world contacts for the United States.

Henry Cabot Lodge of Massachusetts stated the matter with rare accuracy in a speech which he made during the discussion over the conquest of the Philippines. After explaining that wars come, "never ostensibly, but actually from economic causes," Senator Lodge said (*Congressional Record*, 56th Congress, 2nd Session, p. 637. January 7, 1901):

"We occupy a great position economically. We are marching on to a still greater one. You may impede it,

you may check it, but you cannot stop the work of economic forces. You cannot stop the advance of the United States. . . . The American people and the economic forces which underlie all are carrying us forward to the economic supremacy of the world."

Senator Lodge spoke the economic truth in 1901. William C. Redfield reënforced it in an address before the American Manufacturers Export Association (*Weekly Bulletin*, April 26, 1920, p. 7): "We cannot be foreign merchants very much longer in this country excepting on a diminishing and diminishing scale—we have got to become foreign constructors; we have got to build with American money—foreign enterprises, railroads, utilities, factories, mills, I know not what, in order that by large ownership in them we may command the trade that normally flows from their operation." That is sound capitalist doctrine. Equally sound is the exhortation that follows: "In so doing we shall be doing nothing new—only new for us. That is the way in which Germany and Great Britain have built up their foreign trade."

New it is for America—but it is the course of empire, familiar to every statesman. The lesson which Bismarck, Palmerston and Gray learned in the last century is now being taught by economic pressure to the ruling class of the United States.

The elder generation of American business men was not trained for world domination. To them the lesson comes hard. The business men of the younger generation are picking it up, however, with a quickness born of paramount necessity.

2. *Training Imperialists*

Every great imperial structure has had simple beginnings. Each imperial ruling class has doubtless felt misgivings, during the early years of its authority. Hesitating, uncertain, they have cast glances over their shoulders

towards that which was, but even while they were looking backward the forces that had made them rulers were thrusting them still farther forward along the path of imperial power. Then as generation succeeded generation, the rulers learned their lesson, building a tradition of rulership and authority that was handed down from father to son; acquiring a vision of world organization and world power that gave them confidence to go forward to their own undoing. The masters of public life in Rome were such people; the present masters of British economic and political affairs are such people.

American imperialists still are in the making. Until 1900 their eyes were set almost exclusively upon empire within the United States. Those who, before 1860, dreamed of a slave power surrounding the Gulf of Mexico, were thrust down and their places taken by builders of railroads and organizers of trusts. To-day the sons and grandsons of that generation of exploiters who confined their attention to continental territory, are compelled, by virtue of the organization which their sires and grandsires established, to seek Empire outside the boundaries of North America.

During the years when the leaders of American business life were spending the major part of their time in "getting rich," the sweep of social and economic forces was driving the United States toward its present imperial position. Now the position has been attained, those in authority have no choice but to accept the responsibilities which accompany it.

Economically the United States is a world power. The war and the subsequent developments have forced the country suddenly into a position of leadership among the capitalist nations. The law of capitalism is: Struggle to dispose of your surplus, otherwise you cannot survive. This law has laid its heavy hand upon Great Britain, upon France, upon Germany, and now it has struck with full force into the isolated, provincial life of the United States. It is the law—immutable as the system of gravitation.

While the present system of economic life exists, this law will continue to operate. Therefore the masters of American life have no alternative. If they would survive, they must dispose of their surplus.

Politically the United States is recognized as one of the leaders of the world. Despite its tradition of isolation, despite the unwillingness of its statesmen to enter new paths, despite the indifference of its people to international affairs, the resources and raw materials required by the industrial nations of Europe, the rapidly growing surplus and the newly acquired foreign markets and investments make the United States an integral part of the life of the world.

The ruling class in the United States has no more choice than the rulers of a growing city whose boundaries are extending with each increment of population. If it is to continue as a ruling class, it must accept conditions as they are. The first of these conditions is that the United States is a world power neither because of its virtue nor because of its intelligence in the delicacies of the world politics, but because of the sheer might of its economic organization.

Economic necessity has forced the United States into the front rank among the nations of the world. Economic necessity is forcing the ruling class of the United States to occupy the position of world leadership, to strengthen it, to consolidate it, and to extend it at every opportunity. The forces that played beside the yellow Tiber and the sluggish Nile are very much the same as those which led Napoleon across the wheat fields of Europe and that are to-day operating in Paris, London, and in New York. The forces that pushed the Roman Empire into its position of authority and led to the organization of Imperial Britain are to-day operating with accelerated pace in the United States. The sooner the American people, and particularly those who are directing public policy, wake up to this simple but essential fact, the sooner will doubt and misunderstanding be removed, the sooner will the issues be drawn and the nation's course be charted.

3. *The Logical Goal*

The logical goal of the American plutocracy is the economic and incidentally the political control of the world. The rulers of Macedon and Assyria, Rome and Carthage, of Britain and France labored for similar reasons to reach this same goal. It is economic fate. Kings and generals were its playthings, obeying and following the call of its destiny.

The rulers of antiquity were limited by a lack of transportation facilities; their "world" was small, including the basin of the Mediterranean and the land surrounding the Persian Gulf and the Indian Ocean, nevertheless, they set out, one after another, to conquer it. To-day the rapid accumulation of surplus and the speed and ease of communication, the spread of world knowledge and the larger means of organization make it even more necessary than it was of old for the rulers of an empire to find a larger and ever larger place in the sun. The forces are more pressing than ever before. The times call more loudly for a genius with imagination, foresight and courage who will use the power at his disposal to write into political history the gains that have already been made a part of economic life. Let such a one arise in the United States, in the present chaos of public thought, and he could not only himself dictate American public policy for the remainder of his life, but in addition, he could, within a decade, have the whole territory from the Canadian border to the Panama Canal under the American Flag, either as conquered or subject territory; he could establish a Chinese wall around South American trade and opportunities by a very slight extension of the Monroe Doctrine; he could have in hand the problem of an economic if not a political union with Canada, and could be prepared to measure swords with the nearest economic rival, either on the high seas or in any portion of the world where it might prove necessary to join battle.

Such a program would be a departure from the traditions of American public life, but the traditions, built by a nation of farmers, have already lost their significance. They are historic, with no contemporary justification. The economic life that has grown up since 1870 of necessity will create new public policies.

The success of such a program would depend upon four things:

1. A coördination of American economic life.
2. A fast grip on the agencies for shaping public opinion.
3. A body of citizens, martial, confident, restless, ambitious.
4. A ruling class with sufficient imagination to paint, in warm sympathetic colors, the advantages of world dominion; and with sufficient courage to follow out imperial policy, regardless of ethical niceties, to its logical goal of world conquest.

All four of these requisites exist in the United States to-day, awaiting the master hand that shall unite them. Many of the leaders of American public life know this. Some shrink from the issue, because they are unaccustomed to dream great dreams, and are terrified by the immensity of large thoughts. Others lack the courage to face the new issues. Still others are steadily maneuvering themselves into a position where they may take advantage of a crisis to establish their authority and work their imperial will. The situation grows daily more inviting; the opportunity daily more alluring. The war-horse, saddled and bridled, is pawing the earth and neighing. How soon will the rider come?

4. *Eat or Be Eaten*

The American ruling class has been thrown into a position of authority under a system of international economic competition that calls for initiative and courage. Under this system, there are two possibilities,—eat or be eaten!

There is no middle ground, no half way measure. It is impossible to stop or to turn back. Like men engaged on a field of battle, the contestants in this international economic struggle must remain with their faces toward the enemy, fighting for every inch that they gain, and holding these gains with their bodies and their blood, or else they must turn their backs, throw away their weapons, run for their lives, and then, hiding on the neighboring hills, watch while the enemy despoils the camp, and then applies a torch to the ruins.

The events of the great war prove, beyond peradventure, that in the wolf struggle among the capitalist nations, no rules are respected and no quarter given. Again and again the leaders among the allied statesmen—particularly Mr. Lloyd George and Mr. Wilson—appealed to the German people over the heads of their masters with assurances that the war was being fought against German autocracy, not against Germans. "When will the German people throw off their yoke?" asked one Allied diplomat. The answer came in November, 1918. A revolution was contrived, the Kaiser fled the country, the autocracy was overthrown. Germans ceased to fight with the understanding that Mr. Wilson's Fourteen Points should be made the foundation of the Peace. The armistice terms violated the spirit if not the letter of the fourteen points; the Peace Treaty scattered them to the winds. Under its provisions Germany was stripped of her colonies; her investments in the allied possessions were confiscated; her ships were taken; three-quarters of her iron ore and a third of her coal supply were turned over to other powers; motor trucks, locomotives, and other essential parts of her economic mechanism were appropriated. Austria suffered an even worse fate, being "drawn and quartered" in the fullest sense of the term. After stripping the defeated enemies of all available booty, levying an indeterminate indemnity, and dismembering the German and Austrian Empires, the Allies established for thirty years a Reparation Commission, which is virtually the economic dictator of Europe. Thus for a generation to come, the economic life of the vanquished

Empires will be under the active supervision and control of the victors. Never did a farmer's wife pluck a goose barer than the Allies plucked the Central Powers. (See the Treaty, also "The Economic Consequences of the Peace," J. M. Keynes. New York, Harcourt, Brace & Howe, 1920.)

Under the armistice terms and the Peace Treaty the Allies did to Germany and Austria exactly what Germany and Austria would have done to France and Great Britain had the war turned out differently. The Allied statesmen talked much about democracy, but when their turn came they plundered and despoiled with, a practiced imperial hand. France and Britain, as well as Germany and Austria, were capitalist Empires. The Peace embodies the essential economic morality of capitalist imperialism, the morality of "Eat or be eaten."

5. The Capitalists and War

The people and even the masters of America are inexperienced in this international struggle. Among themselves they have experimented with competitive industrialism on a national scale. Now, brought face to face with the world struggle, many of them revolt against it. They deplore the necessities that lead nations to make war on one another. They supported the late war "to end war." They gave, suffered and sacrificed with a keen, idealistic desire to "make the world safe for democracy." They might as well have sought to scatter light and sunshine from a cloudbank.

The masters of Europe, who have learned their trade in long years of intrigue, diplomacy and war, feel no such repugnance. They play the game. The American people are of the same race-stocks as the leading contestants in the European struggle. They are not a whit less ingenious, not a whit less courageous, not a whit less determined. When practice has made them perfect they too will play

the game just as well as their European cousins and their play will count for more because of the vast economic resources and surpluses which they possess.

American statesmen in the field of international diplomacy are like babies, taking their first few steps. Later the steps come easier and easier, until a child, who but a few months ago could not walk, has learned to romp and sport about. The masters of the United States are untrained in the arts of international intrigue. They showed their inferiority in the most painful way during the negotiations over the Paris Treaty. They are as yet unschooled in international trade, banking and finance. They are also inexperienced in war, yet, having only raw troops, and little or no equipment, within two years they made a notable showing on the battlefields of Europe. Now they are busy learning their financial lessons with an equal facility. A generation of contact with world politics will bring to the fore diplomats capable of meeting Europe's best on their own ground. What Europe has learned, America can learn; what Europe has practiced, America can practice, and in the end she may excel her teachers.

To-day economic forces are driving relentlessly. Surplus is accumulating in a geometric ratio—surplus piling on surplus. This surplus must be disposed of. While the remainder of the world—except Japan—is staggering under intolerable burdens of debt and disorganization, the United States emerges almost unscathed from the war, and prepares in dead earnest to enter the international struggle,—to play at the master game of “eat or be eaten.”

Pride, ambition and love of gain and of power are pulling the American plutocrats forward. The world seems to be within their grasp. If they will reach out their hands they may possess it! They have assumed a great responsibility. As good Americans worthy of the tradition of their ancestors, they must see this thing through to the end! They must win, or die in the attempt; and it is in this spirit that they are going forward.

The American capitalists do not want war with Great

Britain or with any other country. They are not seeking war. They will regret war when it comes.

War is expensive, troublesome and dangerous. The experiences of Europe in the War of 1914 have taught some lessons. The leaders and thinkers among the masters of America have visited Europe. They have seen the old institutions destroyed, the old customs uprooted, the old faiths overturned. They have seen the economic order in which they were vitally concerned hurled to the earth and shattered. They have seen the red flag of revolution wave where they had expected nothing but the banner of victory. They have seen whole populations, weary of the old order, throw it aside with an impatient gesture and bring a new order into being. They have good reasons to understand and fear the disturbing influences of war. They have felt them even in the United States—three thousand miles away from the European conflict. How much more pressing might this unrest be if the United States had fought all through the war, instead of coming in when it was practically at an end!

Then there is always the danger of losing the war—and such a loss would mean for the United States what it has meant for Germany—economic slavery.

Presented with an opportunity to choose between the hazards of war and the certainties of peace most of the capitalist interests in the United States would without question choose peace. There are exceptions. The manufacturers of munitions and of some of the implements and supplies that are needed only for war purposes, undoubtedly have more to gain through war than through peace, but they are only a small element in a capitalist world which has more to gain through peace than through war.

But the capitalists cannot choose. They are embedded in an economic system which has driven them—whether they liked it or not—along a path of imperialism. Once having entered upon this path, they are compelled to follow it into the sodden mire of international strife.

6. *The Imperial Task*

The American ruling class—the plutocracy—must plan to dominate the earth; to exploit it, to exact tribute from it. Rome did as much for the basin of the Mediterranean. Great Britain has done it for Africa and Australia, for half of Asia, for four million square miles in North America. If the people of one small island, poorly equipped with resources, can achieve such a result, what may not the people of the United States hope to accomplish?

That is the imperial task.

1. American economic life must be unified. Already much of this work has been done.
2. The agencies for shaping public opinion must be secured. Little has been left for accomplishment in this direction.
3. A martial, confident, restless, ambitious spirit must be generated among the people. Such a result is being achieved by the combination of economic and social forces that inhere in the present social system.
4. The ruling class must be schooled in the art of rulership. The next two generations will accomplish that result.

The American plutocracy must carry on. It must consolidate its gains and move forward to greater achievements, with the goal clearly in mind and the necessities of imperial power thoroughly mastered and understood.

XVII. THE NEW IMPERIAL ALIGNMENT

1. *A Survey of the Evidence*

THROUGH the centuries empires have come and gone. In each age some nation or people has emerged—stronger, better organized, more aggressive, more powerful than its neighbors—and has conquered territory, subjugated populations, and through its ruling class has exploited the workers at home and abroad.

Europe has been for a thousand years the center of the imperial struggle,—the struggle which called into being the militarism so hated by the European peoples. It was from that struggle that millions fled to America, where they hoped for liberty and peace.

The eighteenth century witnessed the rise of Great Britain to a position of world authority. During the nineteenth century she held her place against all rivals. With the assistance of Prussia, she overthrew Napoleon at Waterloo. In the Crimean War and the Russo-Japanese War she halted the power of the Czar. Half a century after Waterloo Germany, under the leadership of Prussia won the Franco-Prussian War, and by that act became the leading rival of the British Empire. Following the war, which gave Germany control of the important resources included in Alsace and Lorraine, there was a steady increase in her industrial efficiency; the success of her trade was as pronounced as the success of her industries, and by 1913 the Germans had a merchant fleet and a navy second only to those of Great Britain.

Germany's economic successes, and her threat to build a railroad from Berlin to Bagdad and tap the riches of the East, led the British to form alliances with their traditional enemies—the French and the Russians. Russia, after the

breakdown of Czarism in 1917, dropped out of the Entente, and the United States took her place among the Allies of the British Empire. During the struggle France was reduced to a mere shell of her former power. The War of 1914 bled her white, loaded her with debt, disorganized her industries, demoralized her finances, and although it restored to her important mineral resources, it left her too weak and broken to take real advantage of them.

The War of 1914 decided the right of Great Britain to rule the Near East as well as Southern Asia and the strategic points of Africa. In the stripping of the vanquished and in the division of the spoils of war the British lion proved to be the lion indeed. But the same forces that gave the British the run of the Old World called into existence a rival in the New.

People from Britain, Germany and the other countries of Northern Europe, speaking the English language and fired with the conquering spirit of the motherland, had been, for three centuries, taming the wilderness of North America. They had found the task immense, but the rewards equally great. When the forces of nature were once brought into subjection, and the wilderness was inventoried, it proved to contain exactly those stores that are needed for the success of modern civilization. With the Indians brushed aside, and the Southwest conquered from Mexico, the new ruling class of successful business men established itself, and the matter of safeguarding property rights, of building industrial empires and of laying up vast stores of capital and surplus followed as a matter of course.

Europe, busy with her own affairs, paid little heed to the New World, except to send to it some of her most rugged stock and much of her surplus wealth. The New World, left to itself, pursued its way—in isolation, and with an intensity proportioned to the size of the task in hand and the richness of the reward.

The Spanish War in 1898 and the performance of the Canadians in the Boer War of 1899 astounded the world,

but it was the War of 1914 that really waked the Europeans to the possibilities of the Western peoples. The Canadians proved their worth to the British armies. The Americans showed that they could produce prodigious amounts of the necessities of war, and when they did go in, they inaugurated a shipping program, raised and dispatched troops, furnished supplies and provided funds to an extent which, up to that time, was considered impossible. The years from 1914 to 1918 established the fact that there was, in the West, a colossus of economic power.

2. *The New International Line-Up*

There are four major factors in the new international line-up. The first is Russia; the second is the Japanese Empire; the third is the British Empire and the fourth is the American Empire. Italy has neither the resources, the wealth nor the population necessary to make her a factor of large importance in the near future. France is too weak economically, too overloaded with debt and too depleted in population to play a leading rôle in world affairs.

The Russian menace is immediate. Bolshevism is not only the antithesis of Capitalism but its mortal enemy. If Bolshevism persists and spreads through Central Europe, India and China, capitalism will be wiped from the earth.

A federation of Russia, the Baltic states, the new border provinces, and the Central Empires on a socialist basis would give the socialist states of central and northern Europe most of the European food area, a large portion of the European raw material area and all of the technical skill and machinery necessary to make a self-supporting economic unit. The two hundred and fifty millions of people in Russia and Germany combined in such a socialist federation would be as irresistible economically as they would be from a military point of view.

Such a Central European federation, developing as it must along the logical lines that lead into India and China

would be the strongest single unit in the world, viewed from the standpoint of resources, of population, of productive power or of military strength. The only possible rivals to such a combination would be the widely scattered forces of the British Empire and the United States, separated from it by the stretches of the Atlantic Ocean. Against such a grouping Japan would be powerless because it would deprive her of the source of raw materials upon which she must rely for her economic development. Great Britain with her relatively small population and her rapidly diminishing resources could make no head against such a combination even with the assistance of her colonial empire. Northern India is as logical a home for Bolshevism as Central China or South-eastern Russia. Connect European Russia, Germany, Austria-Hungary, Siberia, India and China with bonds that make effective coöperation possible and these countries—containing nearly two-thirds of the population of the world, and possessed of the resources necessary to maintain a modern civilization—could laugh at outside interference.

Two primary difficulties confront the organizers of the Federated Socialist Republics of Europe and Asia. One is nationality, language, custom and tradition, together with the ancient antagonisms which have been so carefully nurtured through the centuries. The other is the frightful economic disorganization prevalent throughout Central Europe,—a disorganization which would be increased rather than diminished by the establishment of new forms of economic life. Even if such an organization were perfected, it must remain, for a long time to come, on a defensive basis.

3. The Yellow Peril

The "yellow peril" thus far is little more than the Japanese menace to British and American trade in the Far East. The Japanese Archipelago is woefully deficient in coal, iron, petroleum, water power and agricultural land. The country is over-populated and must depend for its

supplies of food and raw materials upon continental Asia. There seems to be no probability that Japan and China can make any effective working agreement in the near future that will constitute an active menace to the supremacy of the white race. Alone Japan is too weak in resources and too sparse in population. Combined with China she would be formidable, but her military policy in Korea and in the Shantung Province have made any effective coöperation with China at least temporarily impossible.

Furthermore, the Japanese are not seeking world conquest. On the contrary, they are bent upon maintaining their traditional aloofness by having a Monroe Doctrine for the East. This doctrine will be summed up in the phrase, "The East for the Easterners,"—the easterners being the Japanese. Such a policy would prove a serious menace to the trade of the United States and of Great Britain. It would prove still more of a hindrance to the investment of American and British capital in the very promising Eastern enterprises, and would close the door on the Western efforts to develop the immense industrial resources of China. The recent "Chinese Consortium," in which Japan joined with great reluctance, suggests that the major capitalist powers have refused to recognize the exclusive right of Japan to the economic advantages of the Far East. How seriously this situation will be taken by the United States and Great Britain depends in part upon the vigor with which Japan prosecutes her claims and in part upon the preoccupation of these two great powers with Bolshevism in Europe and with their own competitive activities in ship building, trade, finance and armament.

4. The British and the American Empires

The two remaining major forces in world economics and politics are the British Empire and the American Empire,—the mistress of the world, and her latest rival in the competition for world power. Between them, to-day, most of the world is divided. The British Empire includes the

Near East, Southern Asia, Africa, Australia and half of North America. Dogging her are Germany, France, Russia and Italy, and, as she goes to the Far East,—Japan. The United States holds the Western Hemisphere, where she is supreme, with no enemy worthy the name.

The British power was shaken by the War of 1914. Never, in modern times, had the British themselves, been compelled to do so much of the actual fighting. The war debt and the disorganization of trade incident to the war period proved serious factors in the curtailment of British economic supremacy. At the same time, the territorial gains of the British were enormous, particularly in the Near East.

The Americans secured real advantages from the war. They grew immensely rich in profiteering during the first three years, they emerged with a relatively small debt, with no great loss of life, and with the greatest economic surpluses and the greatest immediate economic advantages possessed by any nation of the world.

The British Empire was the acknowledged mistress of the world in 1913. Her nearest rival (Germany) had one battleship to her two; one ton of merchant shipping to her three, and two dollars of foreign investments to her five. This rivalry was punished as the successive rivals of the British Empire have been punished for three hundred years.

The war was won by the British Empire and her Allies, but in the hour of victory a new rival appeared. By 1920 that rival had a naval program which promised a fleet larger than the British fleet in 1924 or 1925; within three years she had increased her merchant tonnage to two-thirds of the British tonnage, and her foreign investments were three times the foreign investments of Great Britain. This new rival was the American Empire—whose immense economic strength constituted an immediate threat to the world power of Great Britain.

5. *The Next Incident in the Great War*

Some nation, or some group of nations has always been in control of the known world or else in active competition for the right to exercise such a control. The present is an era of competition.

Capitalism has revolutionized the world's economic life. By 1875 the capitalist nations were in a mad race to determine which one should dominate the capitalist world and have first choice among the undeveloped portions of the earth. The competitors were Great Britain, Germany, France, Russia and Italy. Japan and the United States did not really enter the field for another generation.

The War of 1914 decided this much:—that France and Italy were too weak to play the big game in a big way, that Germany could not compete effectively for some time to come; that the Russians would no longer play the old game at all. There remained Japan, Great Britain and the United States and it is among these three nations that the capitalist world is now divided. Japan is in control of the Far East. Great Britain holds the Near East, Africa and Australia; the United States dominates the Western Hemisphere.

The Great War began in 1914. It will end when the question is decided as to which of these three empires will control the Earth.

Great Britain has been the dominant factor in the world for a century. She gained her position after a terrific struggle, and she has maintained it by vanquishing Holland, Spain, France and Germany.

The United States is out to capture the economic supremacy of the earth. Her business men say so frankly. Her politicians fear that their constituents are not as yet ready to take such a step. They have been reassured, however, by the presidential vote of November, 1920. Ameri-

can business life already is imperial, and political sentiment is moving rapidly in the same direction.

Great Britain holds title to the pickings of the world. America wants some or all of them. The two countries are headed straight for a conflict, which is as inevitable as morning sunrise, unless the menace of Bolshevism grows so strong, and remains so threatening that the great capitalist rivals will be compelled to join forces for the salvation of capitalist society.

As economic rivalries increase, competition in military and naval preparation will come as a matter of course. Following these will be the efforts to make political alliances—in the East and elsewhere.

These two countries are old time enemies. The roots of that enmity lie deep. Two wars, the white hot feeling during the Civil War, the anti-British propaganda, carried, within a few years, through the American schools, the traditions among the officers in the American navy, the presence of 1,352,251 Irish born persons in the United States (1910), the immense plunder seized by the British during the War of 1914,—these and many other factors will make it easy to whip the American people into a war-frenzy against the British Empire.

Were there no economic rivalries, such antagonisms might slumber for decades, but with the economic struggle so active, these other matters will be kept continually in the foreground.

The capitalists of Great Britain have faced dark days and have surmounted huge obstacles. They are not to be turned back by the threat of rivalry. The American capitalists are backed by the greatest available surpluses in the world; they are ambitious, full of enthusiasm and energy, they are flushed with their recent victory in the world war, and overwhelmed by the unexpected stores of wealth that have come to them as a result of the conflict. They are imbued with a boundless faith in the possibilities of their country. Neither Great Britain nor the United States is

in a frame of mind to make concessions. Each is confident—the British with the traditional confidence of centuries of world leadership; the Americans with the buoyant, idealistic confidence of youth. It is one against the other until the future supremacy of the world is decided.

6. *The Imperial Task*

American business interests are engaged in the work of building an international business structure. American industry, directed from the United States, exploiting foreign resources for American profit, and financed by American institutions, is gaining a footing in Latin America, in Europe and Asia.

The business men of Rome built such a structure two thousand years ago. They competed with and finally crushed their rivals in Tyre, Corinth and Carthage. In the early days of the Empire, they were the economic masters, as well as the political masters of the known world.

Within two centuries the business men of Great Britain have built an international business structure that has known no equal since the days of the Cæsars. Perhaps it is greater, even, than the economic empire of the Romans. At any rate, for a century that British empire of commerce and industry has gone unchallenged, save by Germany. Germany has been crushed. But there is an industrial empire rising in the West. It is new. Its strength is as yet undetermined. It is uncoördinated. A new era has dawned, however, and the business men of the United States have made up their minds to win the economic supremacy of the earth.

Already the war is on between Great Britain and the United States. The two countries are just as much at war to-day as Great Britain and Germany were at war during the twenty years that preceded 1914. The issues are essentially the same in both cases,—commercial and economic in character, and it is these economic and com-

mercial issues that are the chief causes of modern military wars—that are in themselves economic wars which may at any moment be transferred to the military arena.

British capitalists are jealously guarding the privileges that they have collected through centuries of business and military conflict. The American capitalists are out to secure these privileges for themselves. On neither side would a military settlement of the issue be welcomed. On both sides it would be regarded as a painful necessity. War is an incident in imperialist policy. Yet the position of the imperialist as an international exploiter depends upon his ability to make war successfully. War is a part of the price that the imperialist must pay for his opportunity to exploit and control the earth.

After Sedan, it was Germany versus Great Britain for the control of Europe. After Versailles it is the United States versus Great Britain for the control of the capitalist earth. Both nations must spend the next few years in active preparation for the conflict.

The governments of Great Britain and the United States are to-day on terms of greatest intimacy. Soon an issue will arise—perhaps over Mexico, perhaps over Persia, perhaps over Ireland, perhaps over the extension of American control in the Caribbean. There is no difficulty of finding a pretext.

Then there will follow the time-honored method of arousing the people on either side to wrath against those across the border. Great Britain will point to the race-riots and negro-lynchings in America as a proof that the people of the United States are barbarians. British editors will cite the wanton taking of the Canal Zone as an indication of the willingness of American statesmen to go to any lengths in their effort to extend their dominion over the earth. The newspapers of the United States will play up the terrorism and suppression in Ireland and there are many Irishmen more than ready to lend a hand in such an enterprise; tyranny in India will come in for a generous share of comment; then there are the relations between Great

Britain and the Turks, and above all, there are the evidences in the Paris Treaty of the way in which Great Britain is gradually absorbing the earth. Unless the power of labor is strong enough to turn the blow, or unless the capitalists decide that the safety of the capitalist world depends upon their getting together and dividing the plunder, the result is inevitable.

The United States is a world Empire in her own right. She dominates the Western Hemisphere. Young and inexperienced, she nevertheless possesses the economic advantages and political authority that give her a voice in all international controversies. Only twenty years have passed since the organizing genius of America turned its attention from exclusively domestic problems to the problems of financial imperialism that have been agitating Europe for a half a century. The Great War showed that American men make good soldiers, and it also showed that American wealth commands world power.

With the aid of Russia, France, Japan and the United States Great Britain crushed her most dangerous rival—Germany. The struggle which destroyed Germany's economic and military power erected in her stead a more menacing economic and military power—the United States. Untrained and inexperienced in world affairs, the master class of the United States has been placed suddenly in the title rôle. America over night has become a world empire and over night her rulers have been called upon to think and act like world emperors. Partly they succeeded, partly they bungled, but they learned much. Their appetites were whetted, their imaginations stirred by the vision of world authority. To-day they are talking and writing, to-morrow they will act—no longer as novices, but as masters of the ruling class in a nation which feels herself destined to rule the earth.

The imperial struggle is to continue. The Japanese Empire dominates the Far East; the British Empire dominates Southern Asia, the Near East, Africa and Australia; the American Empire dominates the Western

Hemisphere. It is impossible for these three great empires to remain in rivalry and at peace. Economic struggle is a form of war, and the economic struggle between them is now in progress.

7. Continuing the Imperial Struggle

The War of 1914 was no war for democracy in spite of the fact that millions of the men who died in the trenches believed that they were fighting for freedom. Rather it was a war to make the world safe for the British Empire. Only in part was the war successful. The old world was made safe by the elimination of Britain's two dangerous rivals—Germany and Russia; but out of the conflict emerged a new rival—unexpectedly strong, well equipped and eager for the conflict.

The war did not destroy imperialism. It was fought between five great empires to determine which one should be supreme. In its result, it gave to Great Britain rather than to Germany the right to exploit the undeveloped portions of Asia and of Africa.

The Peace—under the form of “mandates”—makes the process of exploitation easier and more legal than it ever has been in the past. The guarantees of territorial integrity, under the League Covenant, do more than has ever been done heretofore to preserve for the imperial masters of the earth their imperial prerogatives.

New names are being used but it is the old struggle. Egypt and India helped to win the war, and by that very process, they fastened the shackles of servitude more firmly upon their own hands and feet. The imperialists of the world never had less intention than they have to-day of quitting the game of empire building. Quite the contrary—a wholly new group of empire builders has been quickened into life by the experiences of the past five years.

The present struggle for the possession of the oil fields of the world is typical of the economic conflicts that are involved in imperial struggles. For years the capitalists

of the great investing nations have been fighting to control the oil fields of Mexico. They have hired brigands, bought governors, corrupted executives. The war settled the Mexican question in favor of the United States. Mexico, considered internationally, is to-day a province of the American Empire.

During the blackest days of the war, when Paris seemed doomed, the British divided their forces. One army was operating across the deserts of the Near East. For what purpose? When the Peace was signed, Great Britain held two vantage points—the oil fields of the Near East and the road from Berlin to Bagdad.

The late war was not a war to end war, nor was it a war for disarmament. German militarism is not destroyed; the appropriations for military and naval purposes, made by the great nations during the last two years, are greater than they have ever been in any peace years that are known to history.

The world is preparing for war to-day as actively as it was in the years preceding the War of 1914. The years from 1914 to 1918 were the opening episodes; the first engagements of the Great War.

There is no question, among those who have taken the trouble to inform themselves, but that the War of 1914 was fought for economic and commercial advantage. The same rivalries that preceded 1914 are more active in the world to-day than ever before. Hence the possibilities of war are greater by exactly that amount. The imperial struggle is being continued and a part of the imperial struggle is war.

8. *Again!*

This monstrous thing called war will occur again! Not because any considerable number of people want it, not even because an active minority wills it, but because the present system of competitive capitalism makes war inevitable. Economic rivalries are the basis of modern wars and economic rivalries are the warp and woof of capitalism.

To-day the rivalries are economic—in the fields of commerce and industry and finance. To-morrow they will be military.

Already the nations have begun the competition in the building of tanks, battleships and airplanes. These instruments of destruction are built for use, and when the time comes, they will be used as they were between 1914 and 1918.

Again there will be the war propaganda—subtle at first, then more and more open. There will be stories of atrocities; threats of world conquest. "Preparedness" will be the cry.

Again there will be the talk of "My country, right or wrong"; "Stand behind the President"; "Fall in line"; "Go over the top!"

Again fear will stalk through the land, while hate and war lust are whipped into a frenzy.

Again there will be conscription, and the straightest and strongest of the young men will leave their homes and join the colors.

Again the most stalwart men of the nations will "dig themselves in" and slaughter one another for years on end.

Again the truth-tellers will be mobbed and jailed and lynched, while those who champion the cause of the workers will be served with injunctions if they refuse to sell out to the masters.

Again the profiteers will stop at home and reap their harvests out of the agony and the blood of the nation.

Again, when the killing is over, a few old men, sitting around a table, will carve the world—stripping the vanquished while they reward the victors.

Again the preparations will begin for the next war. The people will be fed on promises, phrases and lies. They will pay and they will die for the benefit of their masters, and thus the terrible tragedy of imperialism will continue to bathe the world in tears and in blood.

XVIII. THE CHALLENGE TO IMPERIALISM

1. *Revolutionary Protest*

SINCE the Franco-Prussian War the people of Europe have been waking up to the failure of imperialism. The period has been marked by a rapid growth of Socialism on the continent and of trade-unionism in Great Britain. Both movements are expressions of an increasing working-class solidarity; both voice the sentiments of internationalism that were sounded so loudly during the revolutionary period of the eighteenth century.

The rapid growth of the European labor movement worried the autocrats and imperialists. Bismarck suppressed it; the Russian police tortured it. Despite all of the efforts to check it or to crush it, the revolutionary movement in Europe gained force. The speeches and writings of the leaders were directed against the capitalist system, and the rank and file of the workers, rendered sharply class conscious by the traditions of class rule, responded to the appeal by organizing new forms of protest.

The first revolutionary wave of the twentieth century broke in Russia in 1905. The Russian Revolution of 1917 destroyed the old régime and replaced it first by a moderate or liberal and then by a radical communist control. Like all of the proletarian movements in Europe the Russian revolutionary movement was directed against "capitalism" and "imperialism" and despite the fact that there was no considerable development of the capitalist system in Russia, its imperial organization was so thoroughgoing, and the imperial attitude toward the working class had been so brutally revealed during the revolutionary demonstrations in 1905, that the people reacted with a true Slavic intensity against the despotism that they knew, which was that of an autocratic, feudal master-class.

The international doctrines of the new Russian régime were expressed in the phrase "no forcible annexations, no punitive indemnities, the free development of all peoples." The keynote of its internal policy is contained in Section 16 of the Russian Constitution, which makes work the duty of every citizen of the Republic and proclaims as the motto of the new government the doctrine, "He that will not work neither shall he eat." The franchise is restricted. Only workers (including housekeepers) are permitted to vote. Profiteers and exploiters are specifically denied the right to vote or to hold office. Resources are nationalized together with the financial and industrial machinery of Russia. The Bill of Rights contained in the first section of the Russian Constitution is a pronouncement in favor of the liberty of the workers from every form of exploitation and economic oppression.

The Russian revolution was directed against capitalism in Russia and against imperialism everywhere. This dramatic assault upon capitalist imperialism centered the eyes of the world upon Russia, making her experiment the outstanding feature of a period during which the workers were striving to realize the possibilities of a more abundant life for the masses of mankind.

2. Outlawing Bolshevism

Capitalist diplomats were wary of the Kerensky régime because they did not feel certain how far the Russian people intended to go. The triumph of the Bolsheviki made the issue unmistakably clear. There could be no peace between Bolshevism and capitalism. From that day forward it was a struggle to determine which of the two economic systems should survive.

During the years 1918 and 1919 the capitalist world organized one of the most effective advertising campaigns that has ever been staged. Every shred of evidence that, by any stretch of the imagination, could be distorted into an attack upon the Bolshevist régime, was scattered broad-

cast over the world. Where evidence was lacking, rumor and innuendo were employed. The leading newspapers and magazines, prominent statesmen, educators, clergymen, scientists and public men in every walk of life went out of their way to denounce the Russian experiment in very much the same manner that the propertied interests of Europe had denounced the French experiment during the years that followed 1789.

All of the great imperialist governments had at their disposal a vast machinery for the purveying of information—false or true as the case might demand. This public machinery like the machinery of private capitalism was turned against Bolshevism. The capitalist governments went farther by backing with money and supplies the counter revolutionary forces under Yudenich, Denekine, Seminoff, and Kolchak. Allied expeditions were landed on the soil of European and Asiatic Russia “to free the Russian people from the clutches of the Bolsheviki.” A blockade was declared in which the Germans were invited to join (after the signing of the armistice), and the whole capitalist world united to starve into submission the men, women and children of revolutionary Russia.

No event of recent times, not even the holy war against the autocracy of militarist Germany, had created such a unanimity of action among the Western nations. Bolshevism threatened the very existence of capitalism and as such its destruction became the first task of the capitalist world.

The collapse of the capitalist efforts to destroy socialist Russia reflects the power of a new idea over the ancient form. The Allied expeditions into Russia met with hostility instead of welcome. The counter-revolutionary forces were overwhelmed by the red army. The buffer states made peace. The Allied soldiers mutinied when called upon to take part in a war against the forces of revolutionary Russia. “Holy Russia” became holy Russia indeed—recognized and respected by the proletarian forces throughout Europe.

3. *The New Europe*

Russia is the dramatic center of the European movement against capitalist imperialism, but the movement is not confined to Russia. Its activities are extended into every important country on the continent.

Since March, 1917, when the first revolution occurred in Russia, absolute monarchy and divine, kingly rights have practically disappeared from Europe. Before the Russian Revolution, four-fifths of the people of Europe were under the sway of monarchs who exercised dictatorial power over the domestic and foreign affairs of their respective nations. Within two years, the Hohenzollerns, the Hapsburgs and the Romanoffs were driven from the thrones of Germany, of Austria and of Russia. Other rulers of lesser importance followed in their wake, until to-day, the old feudal power that held the political control over most of Europe in 1914 has practically disappeared.

This is the obvious thing—a revolution in the form of political government—the kind of revolution with which history usually deals.

But there is another revolution proceeding in Europe, far more important because more fundamental—the economic and social revolution; the change in the form of breadwinning; the change in the relation between a man and the tools that he uses to earn his livelihood.

Every one knows, now, that Czars and Kaisers and Emperors did not really control Europe before 1914, except in so far as they yielded to bankers and to business men. The crown and the scepter gave the appearance of power, but behind them were concessions, monopolies, economic preferments, and special privilege. The European revolution that began in 1917 with the Czar, did not stop with kings. It began with them because they were in such plain sight, but when it had finished with them it went right on to the bankers and the business men.

War is destruction, organized and directed by the best brains available. It is merry sport for the organizers and for some of the directors, but like any other destructive agent, it may get out of hand. The War of 1914 was to last for six weeks. It dragged on for five years, and the wars that have grown out of it are still continuing. In the course of those five years, the war destroyed the capitalist system of continental Europe. Patches and shreds of it remained, but they were like the topless, shattered trees on the scarred battle-fields. They were remnants—nothing more. In the first place, the war destroyed the confidence of the people in the capitalist system; in the second place, it smashed up the political machinery of capitalism; in the third place, it weakened or destroyed the economic machinery of capitalism.

Each government, to win the war, lied to its people. They were told that their country was invaded. They were assured that the war would be a short affair. Besides that, there were various reasons given for the struggle—it was a war to end war; it was a war to break the iron ring that was crushing a people; it was a war for liberty; it was a struggle to make the world safe for democracy.

Not a single important promise of the war was fulfilled, save only the promise of victory. Hundreds of millions, aroused to the heights of an exalted idealism, came back to earth only to find themselves betrayed. With less promise and more fulfillment; with at least an appearance of statesmanship; with some respect for the simple moralities of truth-telling, fair-dealing, and common honor, there might have been some chance for the capitalist system to retain the confidence of the peoples of war-torn Europe, even in the face of the Russian Revolution; but each of these things was lacking, and as one worker put it: "I don't know what Bolshevism is, but it couldn't be any worse than what we have now, so I'm for it!"

Such a loss of public confidence would have proved a serious blow to any social system, even were it capable of immediately reestablishing normal conditions of living

among the people. In this case, the same events that destroyed public confidence in the capitalist system, destroyed the system itself.

The old political forms of Europe—the czars, emperors and kaisers, who stood as the visible symbols of established order and civilization, were overthrown during the war. The economic forces—the banks and business men—had used these forms for the promotion of their business enterprises. Capitalism depended on czars and kaisers as a blacksmith depends on his hammer. They were among the tools with which business forged the chains of its power. They were the political side of the capitalist system. While the people accepted them and believed in them, the business interests were able to use these political tools at will. The tools were destroyed in the fierce pressure of war and revolution, and with them went one of the chief assets of the European capitalists.

There was a third breakdown—far more important than the break in the political machinery of the capitalist system—and that was the annihilation of the old economic life.

Economic life is, in its elements, very simple. Raw materials—iron ore, copper, cotton, petroleum, coal and wheat—are converted, by some process of labor, into things that feed, clothe and house people. There are four stages in this process—raw materials; manufacturing; transportation; marketing. If there is a failure in one of the four, all of the rest go wrong, as is very clearly illustrated whenever there is a great miners' or railroad workers' strike, or when there is a failure of a particular crop. During the war, all four of these economic stages went wrong.

Between the years 1914 and 1918 the people of Europe busied themselves with a war that put their economic machine out of the running.

For a hundred years the European nations had been busy building a finely adjusted economic mechanism; population, finance, commerce—all were knit into the same system. This system the war demolished, and the years that have

followed the Armistice have not seen it rebuilt in any essential particular, save in Great Britain and in some of the neutral countries.

Not only were the European nations unable to give commodities in exchange for the things they needed but the machinery of finance, by means of which these transactions were formerly facilitated, was crippled almost beyond repair. Under the old system buying and selling were carried on by the use of money, and money ceased to be a stable medium of exchange in Europe. It would be more correct to say that money was no longer taken seriously in many parts of Europe. During the war the European governments printed 75 billions of dollars' worth of paper money. This paper depreciated to a ridiculous extent. Before the war, the franc, the lira, the mark and the crown had about the same value—20 to 23 cents, or about five to a dollar. By 1920 the dollar bought 15 francs; 23 liras; 40 marks, and 250 Austrian crowns. In some of the ready-made countries, constituted under the Treaty or set up by the Allies as a cordon about Russia, hundreds and thousands of crowns could be had for a dollar. Even the pound sterling, which kept its value better than the money of any of the other European combatants, was thirty per cent. below par, when measured in terms of dollars. This situation made it impossible for the nations whose money was at such a heavy discount to purchase supplies from the more fortunate countries. But to make matters even worse, the rate of exchange fluctuated from day to day and from hour to hour so that business transactions could only be negotiated on an immense margin of safety.

Add to this financial dissolution the mountains of debt, the huge interest charges and the oppressive taxes, and the picture of economic ruin is complete.

The old capitalist world, organized on the theory of competition between the business men within each nation, and between the business men of one nation and those of another nation, reached a point where it would no longer work.

In Russia the old system had disappeared, and a new system had been set up in its place. In Germany, and throughout central Europe, the old system was shattered, and the new had not yet emerged. In France, Italy and Great Britain the old system was in process of disintegration—rapid in France and Italy; slower in Great Britain. But in all of these countries intelligent men and women were asking the only question that statesmanship could ask—the question, “What next?”

The capitalist system was stronger in Great Britain than in any of the other warring countries of Europe. Before the war, it rested on a surer foundation. During the war, it withstood better than any other the financial and industrial demands. Since the war, it has made the best recovery.

Great Britain is the most successful of the capitalist states. The other capitalist nations of Europe regard her as the inner citadel of European capitalism. The British Labor Movement is seeking to take this citadel from within.

The British Labor Movement is a formidable affair. There are not more than a hundred thousand members in all of the Socialist parties, in the Independent Labor Party and in the Communist Party combined. There are between six and seven millions of members in the trade unions.

Perhaps the best test of the strength of the British Labor Movement came in the summer of 1920, over the prospective war with Russia. Warsaw was threatened. Its fall seemed imminent, and both Millerand and Lloyd-George made it clear that the fall of Warsaw meant war. The situation developed with extraordinary rapidity. It was reported that the British Government had dispatched an ultimatum. The Labor Movement acted with a strength and precision that swept the Government off its feet and compelled an immediate reversal of policy.

Over night, the workers of Great Britain were united in the Council of Action. As originally constituted, the “Labor and Russia Council of Action” consisted of five

representatives each from the Parliamentary Committee of the Trades Union Congress, the Executive Committee of the Labor Party and the Parliamentary Labor Party. To these fifteen were added eight others, among whom were representatives of every element in the British Labor Movement. This Council of Action did three things—it notified the Government that there must be no war with Russia; it organized meetings and demonstrations in every corner of the United Kingdom to formulate public opinion; it began the organization of local councils of action, of which there were three hundred within four weeks. The Council of Action also called a special conference of the British Labor Movement which met in London on August 13. There were over a thousand delegates at this conference, which opened and closed with the singing of the "Internationale." When the principal resolution of endorsement was passed, approving the formation of the Council of Action, the delegates rose to their feet, cheered the move to the echo, and sang the "Internationale" and "The Red Flag." The closing resolution authorized the Council of Action to take "any steps that may be necessary to give effect to the decisions of the Conference and the declared policy of the Trade Union and Labor Movement."

Such was the position in the "Citadel of European Capitalism." The Government was forced to deal with a body that, for all practical purposes, was determining the foreign policy of the Empire. Behind that Council was an organized group of between six and seven millions of workers who were out to get the control of industry into their own hands, and to do it as speedily and as effectually as circumstances would permit.

Meanwhile, the mantle of revolutionary activity descended upon Italy, where the red flag was run up over some the largest factories and some of the finest estates.

Throughout the war, the revolutionary movement was strong in Italy. The Socialist Party remained consistently an anti-war party, with a radical and vigorous propaganda. The Armistice found the Socialist and Labor Movements

strong in the North, with a growing movement in the South for the organization of Agricultural Leagues.

The Socialist propaganda in Italy was very consistent and telling. The paper "Avanti," circulating in all parts of the country, was an agency of immense importance. The war, the Treaty, the rising cost of living, the growing taxation—all had prepared the ground for the work that the propagandists were doing. Their message was: "Make ready for the taking over of the industries! Learn what you can, so that, when the day comes, each will play his part. When you get the word, take over the works! There must be no violence—that only helps the other side. Do not linger on the streets, you will be shot. Remain at home or stay in the factories and work as you never worked before!"

That, in essence, was the Italian Socialist propaganda—simple, clear and direct, and that was, in effect, what the workers did.

The returned soldiers were a factor of large importance in the Italian Revolution. They were radicals throughout the war. The peace made them revolutionists. "The Proletarian League of the Great War" was affiliated with "The International of Former Soldiers," which comprised the radical elements among the ex-service men of Great Britain, Germany, France, Austria, Italy and a number of the smaller countries. There were over a million dues-paying members in this International, and their avowed object was propaganda against war and in favor of an economic system in which the workers control the industries. It was this group in Italy—particularly in the South—that carried through the project of occupying the estates.

The workers are in control of the whole social fabric in Russia where the revolution has gone the farthest. In Great Britain, where the labor movement is perhaps more conservative than in any of the other countries of Europe, the Government is compelled to deal with a labor movement that is strong enough to consider and to decide im-

portant matters of foreign policy. The workers of Italy have the upper hand. In Czecho-Slovakia, in Bulgaria, in Germany and in the smaller and neutral countries the workers are making their voices heard in opposition to any restoration of the capitalist system; while they busy themselves with the task of creating the framework of a new society.

4. *The Challenge*

This is the challenge of the workers of Europe to the capitalist system. The workers are not satisfied; they are questioning. They mean to have the best that life has to give, and they are convinced that the capitalist system has denied it to them.

The world has had more than a century of capitalism. The workers have had ample opportunity to see the system at work. The people of all the great capitalist countries—the common people—have borne the burdens and felt the crushing weight of capitalism—in its enslavement of little children; in its underpaying of women; in long hours of unremitting, monotonous toil; in the dreadful housing; in the starvation wages; in unemployment; in misery. The capitalist system has had a trial and it is upon the workers that the system has been tried out.

During this experiment, the workers of the world have been compelled to accept poverty, unemployment and war.

These terrible scourges have afflicted the capitalist world, and it is the workers and their families that have borne them in their own persons. In those countries where the capitalist system is the oldest, the workers have suffered the longest. The essence of capitalism is the exploitation of one man by another man, and the longer this exploitation is practiced the more skillful and effective does the master class become in its manipulation.

The workers look before them along the path of capitalist imperialism that is now being followed by the nations that are in the lead of the capitalist world. There

they see no promise save the same exploitation, the same poverty, the same inequality and the same wars over the commercial rivalries of the imperial nations.

The workers of Europe have come to the conclusion that the world should belong to those who build it; that the good things of life should be the property of those who produce them. They see only one course open before them—to declare that those who will not work, shall not eat.

The right of self-determination is the international expression of this challenge. The ownership of the job is its industrial equivalent. Together, the two ideas comprise the program of the more advanced workers in all of the great imperial countries of the world. These ideas did not originate in Russia, and they are not confined to Russia any more than capitalism is confined to Great Britain. They are the doctrines of the new order that is coming rapidly into its own.

Capitalism has been summed up, heretofore, in the one word "profit." The capitalist cannot abandon that standard. The world has lived beyond it, however, and without it, capitalism, as a system, is meaningless. If the capitalists abandon profit, they abandon capitalism.

Without profit the capitalist system falls to pieces, because it is the profit incentive that has always been considered as the binder that holds the capitalist world together. Hence the abandonment of the profit incentive is the surrender of the citadel of capitalism. While profit remains, exploitation persists, and while there is exploitation of one man by another, no human being can call himself free.

The capitalists are caught in a beleaguered fortress in which they are defending their economic lives. Profit is the key to this fortress, and if they surrender the key, they are lost.

5. The Real Struggle

This is the real struggle for the possession of the earth. Shall the few own and the many labor for the few, or the many own, and labor upon jobs that they themselves pos-

sess? The struggle between the capitalist nations is incidental. The struggle between the owners of the world and the workers of the world is fundamental.

If Great Britain wins in her conflict with the United States, her capitalists will continue to exploit the workers of Lancashire and Delhi. Her imperialists will continue their policy of world domination, subjugating peoples and utilizing their resources and their labor for the enrichment

If the United States wins in her struggle with Great Britain, her capitalists will continue to exploit the workers of Pittsburg and San Juan. Her imperialists will continue

their policy of world domination, subjugating the peoples of Latin American first, and then reaching out for the control over other parts of the earth.

No matter what imperial nation may triumph in this struggle between the great nations for the right to exploit the weaker peoples and the choice resources, the struggle between capitalism and Socialism must be fought to a finish. If the capitalists win, the world will see the introduction of a new form of serfdom, more complete and more effective than the serfdom of Feudal Europe. If the Socialists win, the world enters upon a new cycle of development.

XIX. THE AMERICAN WORKER AND WORLD EMPIRE

1. *Gains and Losses*

THE American worker is a citizen of the richest country of the world. Resources are abundant. There is ample machinery to convert these gifts of nature into the things that men need for their food and clothing, their shelter, their education and their recreation. There is enough for all, and to spare, in the United States.

But the American worker is not master of his own destinies. He must go to the owners of American capital—to the plutocrats—and from them he must secure the permission to earn a living; he must get a job. Therefore it is the capitalists and not the workers of the United States that are deciding its public policy at the present moment.

The American capitalist is a member of one of the most powerful exploiting groups in the world. Behind him are the resources, productive machinery and surplus of the American Empire. Before him are the undeveloped resources of the backward countries. He has gained wealth and power by exploitation at home. He is destined to grow still richer and more powerful as he extends his organization for the purposes of exploitation abroad.

The prospects of world empire are as alluring to the American capitalist as have been similar prospects to other exploiting classes throughout history. Empire has always been meat and drink to the rulers.

The master class has much to gain through imperialism. The workers have even more to lose.

The workers make up the great bulk of the American people. Fully seven-eighths (perhaps nine-tenths) of the adult inhabitants of the United States are wage earners,

clerks and working farmers. All of the proprietors, officials, managers, directors, merchants (big and little), lawyers, doctors, preachers, teachers, and the remainder of the business and professional classes constitute not over 10 or 12 percent of the total adult population. The workers are the "plain people" who do not build empires any more than they make wars. If they were left to themselves, they would continue the pursuit of their daily affairs which takes most of their thought and energy—and be content to let their neighbors alone.

2. *The Workers' Business*

The mere fact that the workers are so busy with the routine of daily life is in itself a guarantee that they will mind their own business. The average worker is engaged, outside of working hours, with the duties of a family. His wife, if she has children, is thus employed for the greater portion of her time. Both are far too preoccupied to interfere with the like acts of other workers in some other portion of the world. Furthermore, their preoccupation with these necessary tasks gives them sympathy with those similarly at work elsewhere.

The plain people of any country are ready to exercise even more than an ordinary amount of forbearance and patience rather than to be involved in warfare, which wipes out in a fortnight the advantages gained through years of patient industry.

The workers have no more to gain from empire building than they have from war making, but they pay the price of both. Empire building and war making are Siamese twins. They are so intimately bound together that they cannot live apart. The empire builder—engaged in conquering and appropriating territory and in subjugating peoples—must have not only the force necessary to set up the empire, but also the force requisite to maintain it. Battleships and army corps are as essential to empires as

mortar is to a brick wall. They are the expression of the organized might by which the empire is held together.

The plain people are the bricks which the imperial class uses to build into a wall about the empire. They are the mortar also, for they man the ships and fill up the gaps in the infantry ranks and the losses in the machine gun corps. They are the body of the empire as the rulers are its guiding spirit.

When ships are required to carry the surplus wealth of the ruling class into foreign markets, the workers build them. When surplus is needed to be utilized in taking advantage of some particularly attractive investment opportunity the workers create it. They lay down the keels of the fighting ships, and their sons aim and fire the guns. They are drafted into the army in time of war and their bodies are fed to the cannon which other workers in other countries, or perhaps in the same country, have made for just such purposes. The workers are the warp and woof of empire, yet they are not the gainers by it. Quite the contrary, they are merely the means by which their masters extend their dominion over other workers who have not yet been scientifically exploited.

The work of empire building falls to the lot of the workers. The profits of empire building go to the exploiting class.

3. *The British Workers*

What advantage came to the workers of Rome from the Empire which their hands shaped and which their blood cemented together? Their masters took their farms, converted the small fields into great, slave-worked estates, and drove the husbandmen into the alleys and tenements of the city where they might eke out an existence as best they could. The rank-and-file Roman derived the same advantage from the Roman Empire that the rank-and-file Briton has derived from the British Empire.

Great Britain has exercised more world mastery during the past hundred years than any other nation. All that Germany hoped to achieve Great Britain has realized. Her traders carry the world's commerce, her financiers clip profits from international business transactions, her manufacturers sell to the people of every country, the sun never sets on the British flag.

Great Britain is the foremost exponent and practitioner of capitalist imperialism. The British Empire is the greatest that the world has known since the Empire of Rome fell to pieces. Whatever benefits modern imperialism brings either for capitalists or for workers should be enjoyed by the capitalists and workers of Great Britain.

Until the Great World War the capitalists of Great Britain were the most powerful on earth with a larger foreign trade and a larger foreign investment than any other. At the same time the British workers were amongst the worst exploited of those in any capitalist country in Europe.

The entire nineteenth century is one long and terrible record of master-class exploitation inside the British Isles. The miseries of modern India have been paralleled in the lives of the workers of Ireland, Scotland, Wales and England. Gibbins, in his description of the conditions of the child workers in the early years of the nineteenth century ends with the remark, "One dares not trust oneself to try and set down calmly all that might be told of this awful page of the history of industrial England."¹

Even more revolting are the descriptions of the conditions which surrounded the lives of the mine workers in the early part of the nineteenth century. Women as well as men were taken into the mines and in some cases, as the reports of the Parliamentary investigation show, the women dragged cars through passage-ways that were too low to admit the use of ponies or mules.

¹ "Industry in England," H. deB. Gibbins. New York, Scribner's, 1897, p. 390.

England, mistress of the seas, proud carrier of the traffic of the world, the center of international finance, the richest among all the investing nations—England was reeking with poverty. Beside her factories and warehouses were vile slums in which people huddled as Ruskin said, “so many brace to a garret.” There in the back alleys of civilization babies were born and babies died, while those who survived grew to the impotent manhood of the street hooligan.

The British Empire girdled the world. For a century its power had grown, practically unchallenged. Superficially it had every appearance of strength and permanence but behind it and beneath it were the hundreds of thousands of exploited factory workers, the underpaid miners, the Cannon Gate of Edinburgh and the Waterloo Junction of London.

Capitalist imperialism has not benefited the British workers. Quite the contrary, the rise of the Empire has been accompanied by the disappearance of the stalwart English yeoman; by the disappearance of the agricultural population; by the concentration of the people in huge industrial towns where the workers, no longer the masters of their own destinies, must earn their living by working at machines owned by the capitalist imperialists. The surplus derived from this exploited labor is utilized by the capitalists as the means of further extending their power in foreign lands.

Imperialism has brought not prosperity, but poverty to the plain people of England.

There is another aspect of the matter. If these degraded conditions attach to the workers in the center of the empire, what must be the situation among the workers in the dependencies that are the objects of imperial exploitation? Let the workers of India answer for Great Britain; the workers of Korea answer for Japan, and the workers of Porto Rico answer for the United States. Their lot is worse than is the lot of the workers at the center of imperial power.

Empires yield profits to the masters and victory and glory to the workers. Let any one who does not believe this compare the lives of the workers in small countries like Holland, Norway, Denmark and Switzerland, with the lives of the workers in the neighboring empires—Russia, Germany, France and Great Britain. The advantage is all on the side of those who live in the smaller countries that are minding their own affairs and letting their neighbors alone.

4. *The Long Trail*

The workers of the United States are to-day following the lead of the most powerful group of financial imperialists in the world. The trail is a long one leading to world conquest, unimagined dizzying heights of world power, riches beyond the ken of the present generation, and then, the slow and terrible decay and dissolution that sooner or later overtake those peoples that follow the paths of empire. The rulers will wield the power and enjoy the riches. The people will struggle and suffer and pay the price.

The American plutocracy is out to conquer the earth because it is to their interest to do so. The will-o'-the-wisp of world empire has captured their imaginations and they are following it blindly.

The American people, on November 2, 1920, gave the American imperialists a blanket authority to go about their imperial business—an authority that the rulers will not be slow to follow. First they will clean house at home—that housecleaning will be called “the campaign for the establishment of the open shop.” Then they will go into Mexico, Central America, China, and Europe in search of markets, trade and investment opportunities.

Behind the investment will come the flag, carried by battle-ships and army divisions. That flag will be brought front to front with other flags, high words will be spoken, blood will flow, life will ebb, and the imperialists will win their point and pocket their profit.

Behind them, in November, and at all other times of the year, there will be the will, expressed or implied, of the working people of the United States, who will produce the surplus for foreign investment; will make the ships and man them; will dig the coal and bore for the oil; will shape the machines. Their hands and the hands of their sons will be the force upon which the ruling class must depend for its power. They will produce, while the ruling class consumes and destroys.

The trail is a long one, but it leads none the less certainly to isolation and death. No people can follow the imperial trail and live. Their liberties go first and then their lives pay the penalty of their rulers' imperial ambition. It was so in the German Empire. It is so to-day in the British Empire. To-morrow, if the present course is followed, it will be equally true in the American Empire.

5. The New Germany

One of the chief charges against the Germans, in 1914, was that they were not willing to leave their neighbors in peace. They were out to conquer the world, and they did not care who knew it. It was not the German people who held these plans for world conquest, it was the German ruling class. The German people were quite willing to stay at home and attend to their own affairs. Their rulers, pushed by the need for markets and investment opportunities, and lured by the possibilities of a world empire, were willing to stake the lives and the happiness of the whole nation on the outcome of these ambitious schemes. They threw their dice in the great world game of international rivalries—threw and lost; but in their losing, they carried not only their own fortunes, but the lives and the homes and the happiness of millions of their fellows whose only desire was to remain at home and at peace.

Germany's offense was her ambition to gain at the expense of her neighbors. Lacking a place in the sun, she proposed to take it by the strength of her good right arm.

This is the method by which all of the great empires have been built and it is the method that the builders of the American Empire have followed up to this point. The land which the ruling class of the United States has needed has heretofore been in the hands of weak peoples—Indians, Mexicans, a broken Spanish Empire. Now, however, the time has come when the rulers of the United States, with the greatest wealth and the greatest available resources of any of the nations, are preparing to take what they want from the great nations, and that imperial purpose can be enforced in only one way—by a resort to arms. The rulers of the United States must take what they would have by force, from those who now possess it. They did not hesitate to take Panama from Colombia; they did not hesitate to take possession of Hayti and of Santo Domingo, and they do not propose to stop there.

The people of the world know these things. The inhabitants of Latin America know them by bitter experience. The inhabitants of Europe and of Asia know them by hearsay. Both in the West and in the East, the United States is known as "The New Germany."

That means that the peoples of these countries look upon the United States and her foreign policies in exactly the same way that the people of the United States were taught to regard Germany and her foreign policies. To them the United States is a great, rich, brutal Empire, setting her heel and laying her fist where necessity calls. Men and women inside the United States think of themselves and of their fellow citizens as human beings. The people in the other countries read the records of the lynchings, the robberies and the murders inside the United States; of the imperial aggression toward Latin America, and they are learning to believe that the United States is made up of ruthless conquerors who work their will on those that cross their path.

The plain American men and women, living quietly in their simple homes, are none the less citizens of an aggressive, conquering Empire. They may not have a

thought directed against the well-being of a single human creature, but they pay their taxes into the public treasury; they vote for imperialism on each election day; they read imperialism in their papers and hear it preached in their churches, and when the call comes, their sons will go to the front and shed their blood in the interest of the imperial class.

The plain people of the German Empire did not desire to harm their fellows, nevertheless, they furnished the cannon-fodder for the Great War. America's plain folks, by merely following the doctrine, "My country, right or wrong—America first!" will find themselves, at no very distant date, exactly where the German people found themselves in 1914.

6. *The Price*

The historic record, in the matter of empire, is uniform. The masters gain; the workers pay.

The workers of the United States will not be exempt from these inexorable necessities of imperialism. On the contrary they will be called upon to pay the same price for empire that the workers in Britain have paid; that the workers in the other empires have paid. What is the price? What will world empire cost the American workers?

1. It will cost them their liberties. An empire cannot be run by a debating society. Empires must act. In order to make this action mobile and efficacious, authority must be centered in the hands of a small group—the ruling class, whose will shall determine imperial policy. Self-government is inconsistent with imperialism.

2. The workers will not only lose their own liberties, but they will be compelled to take liberties away from the peoples that are brought under the domination of the Empire. Self-determination is the direct opposite of imperialism.

3. The American workers, as a part of the price of empire, will be compelled to produce surplus wealth—

wealth which they can never consume; wealth the control of which passes into the hands of the imperial ruling class, to be invested by them in the organization of the Empire and the exploitation of the resources and other economic opportunities of the dependent territory.

4. The American workers must be prepared to create and maintain an imperial class, whose function it is to determine the policies and direct the activities of the Empire. This class owes its existence to the existence of empire, without which such a ruling class would be wholly unnecessary.

5. The American workers must be prepared, in peace time as well as in war time, to provide the "sinews of war": the fortifications, the battle fleet, the standing army and the vast naval and military equipment that invariably accompany empire.

6. The American workers must furthermore be ready, at a moment's call, to turn from their occupations, drop their useful pursuits, accept service in the army or in the navy and fight for the preservation of the Empire—against those who attack from without, against those who seek the right of self-determination within.

7. The American workers, in return for these sacrifices, must be prepared to accept the poverty of a subsistence wage; to give the best of their energies in war and in peace, and to stand aside while the imperial class enjoys the fat of the land.

7. *A Way Out*

If the United States follows the course of empire, the workers of the United States have no choice but to pay the price of Empire—pay it in wealth, in misery, and in blood. But there is an alternative. Instead of going on with the old system of the masters, the workers may establish a new economic system—a system belonging to the workers, and managed by them for their benefit.

The workers of Europe have tried out imperialism and they have come to the conclusion that the cost is too high. Now they are seeking, through their own movement—the labor movement—to control and direct the economic life of Europe in the interest of those who produce the wealth and thus make the economic life of Europe possible.

The American workers have the same opportunity. Will they avail themselves of it? The choice is in their hands.

Thus far the workers of the United States have been, for the most part, content to live under the old system, so long as it paid them a living wage and offered them a job. The European workers felt that too in the pre-war days, but they have been compelled—by the terrible experiences of the past few years—to change their minds. It was no longer a question of wages or a job in Europe. It was a question of life or death.

Can the American worker profit by that experience? Can he realize that he is living in a country whose rulers have adopted an imperial policy that threatens the peace of the world? Can he see that the pursuit of this policy means war, famine, disease, misery and death to millions in other countries as well as to the millions at home? The workers of Europe have learned the lesson by bitter experience. Is not the American worker wise enough to profit by their example?

THE END

INDEX.

- Advertising imperialism, 169
- America, conquest of, 27
- America first, 170
- America for Americans, 202
- American capitalists, 218
 - “ “ program of, 226
 - “ empire, costs of, 160
 - “ “ course of, 158
 - “ “ development of, 15
 - “ “ economic basis of, 74
 - “ “ growth of, 161
 - “ imperialism, 23
 - “ Indian, 29
 - “ industries, growth of, 178
 - “ people, ancestry, 159
 - “ protectorates, 207
 - “ Republic, disappearance of, 72
 - “ tradition, failure of, 12
 - “ worker and empire, 256
- Anti-imperialism, 68
- Appropriation of territory, 213
- Automobile distribution, 183
- Bankers, unity of, 150
- Bethlehem Steel Co., 132
- British Empire, gains of, 198
 - “ “ position of, 234
 - “ Labor, position of, 250
- Business control, 148
- Canada, investments in, 206
- Capitalism and Bolshevism, 244
 - “ “ war, 225
 - “ breakdown of, 248
 - “ law of, 223
- Cherokees, dealings with, 33

Class government, 10
 " struggle, in Europe, 254
Coal reserves, 180
Cohesion of wealth, 86, 118
Competition, ferocity of, 223
Competitive industry, 75
Conquering peoples, 26
Conquest of the West, 49
Council of Action, organization, 250
 " " National Defense, 148
Cuban independence, 66
 " treaty, 208

Dictatorship, possibility of, 222
Dominican Republic, relations with, 209

Education for imperialism, 169
Empire and British workers, 258
 " characteristics of, 15
 " definition of, 16
 " evolution of, 22
 " prevalence of, 17
 " price of, 20, 264
 " stages in, 19
 " workers and, 262
Empires, the Big Four, 231
Europe, financial breakdown, 249
 " revolution in, 246

Financial imperialism, 135
Foreign investments, 131
France, gains of, 197

Government and business, 99
Great Peace, 36
Great War, 143
 " " advantages of, to the United States, 157
 " " next incidents of, 235
 " " results of, 240
Guaranty Trust Company, 136

Hawaii, annexation of, 62
 " revolution in, 63
Hayti, conditions in, 210

Immigrants, race of, 160
Imperial alignment, 229
 “ goal, 222
 “ purpose, 165
 “ sentiments, 166
 “ task, 237
 “ “ nature of, 228
Imperialism, advantages of, 256
 “ beginnings of, 65
 “ challenge to, 243
 “ cost of, 261
 “ establishment of, **72**
 “ failure of, 243
 “ psychology of, 170
Imperialists, training of, 219
Incomes, in the United States, 115
Industrial combination, 81
 “ organization, 78
 “ revolution, 76
International exploitation, 128
 “ finance, 135
 “ Harvester Co., 133
Investing nations, 127
Investment bankers, 86
Investments in the United States, 130
Italy, gains of, 197

Job ownership, 94

Labor, colonial shortage of, 38
Landlordism, 105
Land ownership, 103
 “ policy, 104
Latin America, 203
Liberty, desire for, 8

Manifest destiny, 171
Mastery, avenues of, 92
Mexican War, provocation of, 55
 “ “ success of, 56
Mexico, conquest of, 54
Monroe Doctrine, 202
 “ “ logic of, 207

- National City Bank, 138
- Navy League, 146
- Negro civilization, in Africa, 40
 - “ slaves, values of, 47
- Negroes, numbers enslaved, 43
- New Europe, 246
- Next War, contestants in, 236
 - “ “ preparations for, 241
 - “ “ pretexts for, 238
- New Orleans, struggle for, 50
- Ownership, advantages of, 114
- Panama, relations with, 213
 - “ revolution in, 215
 - “ seizure of, 214
- Patriotism, 147
- Peace Treaty, provisions of, 224
 - “ “ results of, 194
- Personal incomes, sources of, 116
- Philippines, conquest of, 69
- Plutoocracy, 117
 - “ control of, 148
 - “ dictatorship of, 92
 - “ domestic power of, 153
 - “ economic gains of, 151
 - “ growing power of, 143
- Popular government, 9
- Population, increase of, 50
- Preparedness, 145
- Press censorship, 210
- Product ownership, 96
- Profiteering, 151
- Property, Indian ideas of, 30
 - “ ownership, security of, 107
 - “ rights, and civilization, 113
 - “ rights of, 103
 - “ safeguards to, 108
- Public opinion, control of, 98
- Resources of the United States, 179
- Revolution in Europe, 246
- Russia, Allied attack on, 245
 - “ world position of, 231

- Slave Coast, 39
 - “ power, defeat of, 61
 - “ trade, America's part in, 44
 - “ “ beginnings of, 39
 - “ “ conditions of, 43
 - “ “ development of, 42
- Slavery, and expansion, 60
 - “ beginnings of, 39
 - “ in the United States, 45
- Slaves, early demand for, 41
- Southwest, conquest of, 51, 57
- Sovereignty, source of, 11
- Spanish War, 65
- Standard Oil Co., 134
- Surplus, disposal of, 123
 - “ pressure of, 121
- Teutonic peoples, 26
- Texas, annexation of, 52
- Timber reserves, 180
- Transportation facilities, 183
- Undeveloped countries, 124
- United States, capital of, 181
 - “ “ financial power of, 154
 - “ “ past isolation, 192
 - “ “ position of, 221
 - “ “ products of, 184
 - “ “ resources of, 179
 - “ “ shipping, 188
 - “ “ wealth and income, 189
 - “ “ world attitude to, 263
 - “ “ world power of, 177
- Wealth and income, 189
 - “ of the United States, 89
 - “ ownership, 90
- Western Hemisphere, and the United States, 200
- World conquest, 218
- Workers' business, 257
- Yellow peril, 232

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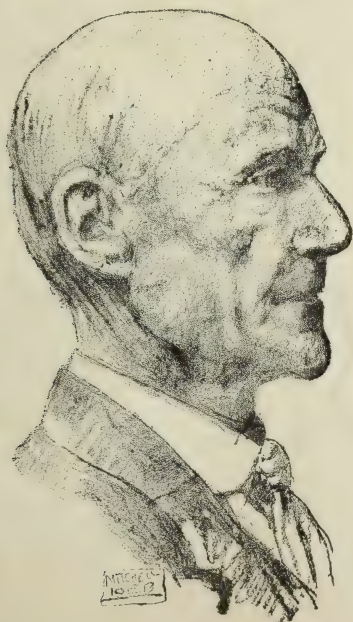
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By
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THE DEBS DECISION

By

SCOTT NEARING

1. THE SUPREME COURT

The Supreme Court of the United States on March 10, 1919, handed down a decision on the Debs case. That decision is far-reaching in its immediate significance and still more far-reaching in its ultimate implications.

What is the Supreme Court of the United States?

Article III, Section I of the Constitution provides as follows:

"The judicial power of the United States shall be vested in one Supreme Court. . . . The judges shall hold their offices during good behavior."

The judges are appointed by the President and confirmed by the Senate (Article XII, Section II). That is all the constitution provides with regard to the Supreme Court.

At the present time, there are nine judges on the Supreme bench. It might interest you to know some facts about the nine. All of the judges are men. The chief justice is Edward D. White, who was born in 1845 and admitted to the bar in 1868. He is seventy-three years of age. His birth-place was Louisiana. He served in the Confederate Army, in the State Senate, in the State Supreme Court and

Labon + Indee Rel 1 Mar 19 Rec'd of albert

in the United States Senate. He has been a member of the Supreme Court for twenty-five years. Joseph McKenna, is the second member in point of seniority. He was born in 1843. He was admitted to the bar in 1865. His birth-place is Philadelphia. He was a county District Attorney, a member of the State Legislature, a member of the national House of Representatives, attorney-general of the United States and a United States Circuit Judge. He has been a member of the Supreme Court for twenty-two years. Oliver W. Holmes, the Justice who read the Debs decision, was born in Boston in 1841. He is seventy-seven years of age. He was admitted to the bar in 1866. Justice Holmes served in the Union Army; he was a member of the Supreme Court of Massachusetts and a member of the Harvard Law School Faculty. He has been a member of the Supreme Court for seventeen years. Those are the three oldest men on the Supreme bench. They are the three men who have been on the bench longest, but their political background is typical of the political background of the other members of the Supreme Court, with the single exception of Justice Louis D. Brandeis, who as far as I know, held no public office at all before he was appointed a justice of the Supreme Court three years ago.

The nine members of the Supreme Court are all old men. Four of them were born before 1850; eight of them were born before 1860; one of them was born since 1861, that is, James C. McReynolds, who was born in 1862. There is not a single member of the Supreme Court bench born since the Civil War. The oldest man on the bench is Justice Holmes, seventy-seven; the youngest man on the bench is Justice McReynolds, fifty-seven; the average ages of the justices of the Supreme Court is sixty-six years. These men all began practicing law while we were children, or before we were born. Three of them

began the practice of law before 1870; six of them began to practice law before 1880; nine of them before 1884. The last member of the Supreme bench to be admitted to the practice of law, Justice McReynolds, was admitted in 1884.

The Supreme Court Justices were educated in the generation preceding the modern epoch of financial imperialism. They were mature when the industrial order as we know it today, was established. They are the men whose word is the word of final authority in all the affairs concerning the government of the United States.

The Supreme Court, not because the Constitution grants it the power, but because successive decisions of the Court have established that precedent, has the right to veto any piece of legislation passed by Congress and signed by the President. The Supreme Court is the voice of final authority in the affairs of the government of the United States. After it has spoken, there is no further authority under the machinery of this government.

The Debs Case came before the Supreme Court. The Supreme Court has given its decision. Eugene V. Debs goes to jail for ten years. Under the existing order of government, there is no appeal from this decision, except an appeal to arbitrary executive clemency.

2. THE CANTON SPEECH

The Debs Case arose over a speech made by Debs in Canton, Ohio, June 16th, 1918. The speech was made before the State Socialist Convention, where Debs was talking to his comrades in the Socialist movement. The main parts of this speech, as printed in the indictment under which Debs was convicted, are as follows:

"I have just returned from a visit from yonder, (pointing to workhouse) where three of our most loyal comrades are paying the penalty for their devotion to the cause of the working class. They have come to realize, as many of us have, that it is extremely dangerous to exercise the constitutional right of free speech in a country fighting to make democracy safe for the world. I realize in speaking to you this afternoon that there are certain limitations placed upon the right of free speech. I must be extremely careful, prudent, as to what I say, and even more careful and prudent as to how I say it. I may not be able to say all I think, but I am not going to say anything I do not think. And I would rather a thousand times be a free soul in jail than a sycophant or coward on the streets. They may put those boys in jail and some of the rest of us in jail, but they cannot put the Socialist movement in jail. Those prison bars separate their bodies from ours, but their souls are here this afternoon. They are simply paying the penalty that all men have paid in all of the ages of history for standing erect and seeking to pave the way for better conditions for mankind.

"If it had not been for the men and women who, in the past, have had the moral courage to go to jail, we would still be in the jungles.

"Why should a Socialist be discouraged on the eve of the greatest triumph of all the history of the Socialist movement? It is true that these are anxious, trying days for us all, testing those who are upholding the banner of the working class in the greatest struggle the world has ever known against the exploiters of the world; a time in which the weak, the cowardly, will falter and fail and desert. They lack the fibre to endure the revolutionary test. They fall away. They disappear as if they had never been.

"On the other hand, they who are animated with the unconquerable spirit of the Social revolution, they who have the moral courage to stand erect, to assert their convictions, to stand by them, to go to jail or to hell for them—they are writing their names in this crucial hour, they are writing their names in fadeless letters in the history of mankind. Those boys over yonder, those comrades of ours—and how I love them—aye, they are our younger brothers, their names are seared in our souls.

"I am proud of them. They are there for us and we are here for them. Their lips, though temporarily mute, are more eloquent than ever before, and their voices, though silent, are heard around the world.

"Are we opposed to Prussian militarism? Why, we have been fighting it since the day the Socialistic movement was born and we are going to continue to fight it today and until it is wiped from the face of the earth.

"The other day they sent a woman to Wichita Penitentiary for ten years. Just think of sentencing a woman to the penitentiary for talking. The United States under the rule of the plutocrats is the only country which would send a woman to the penitentiary for ten years for exercising the right to free speech. If this be treason, let them make the most of it. Let me review another bit of history. I have known this woman for ten years. Personally I know her as if she were my own younger sister. She is a woman of absolute integrity. She is a woman of courage. She is a woman of unimpeachable loyalty to the Socialist movement. She went out into Dakota and made her speech, followed by plain-clothes men in the service of the government, intent upon encompassing her arrest, prosecuted and convicted. She made a certain speech and that

speech was deliberately misrepresented for the purpose of securing her conviction. The only testimony was that of a hired witness. And thirty farmers who went to Bismark to testify in her favor, the judge refused to allow to testify. This would seem incredible to me if I had not some experience of my own with a Federal Court. Who appoints the Federal Courts? The people? Every solitary one of them holds his position through influence and power of corporation capital. And when they go to the bench, they go there not to serve the people, but to serve the interests who sent them. The other day, by a vote of five to four, they declared the Child Labor Law unconstitutional; a law secured after twenty years of education and agitation by all kinds of people, and yet by a majority of one, the Supreme Court, a body of corporation lawyers, with just one solitary exception, wiped it from the Statute books, so that we may still continue to grind the blood of little children into profit for the Junkers of Wall Street, and this in a country that is now fighting to make democracy safe for the world. These are not palatable truths to them. And they do not want you to hear them and that is why they brand us as traitors and disloyalists. If we were not traitors to the people, we would be eminently respectable citizens and ride in limousines. It is precisely because we are disloyal to the traitors that we are not disloyal to the people of this country.

“How short-sighted the ruling class is. The exploiter cannot see beyond the end of his nose. He has just been cunning enough to know what graft is and where it is, but he has no vision. You know this is a great throbbing world that speaks out in all directions. Look at Rockefeller. Every move he makes hastens the coming of his doom. Every time the capitalist class tries to hinder the cause of Socialism they hurt themselves. Every time they strangle

a Socialist newspaper they add a thousand voices to those which are aiding Socialism. The Socialist has a great idea. An expanding philosophy. It is spreading over the face of the earth. It is as useless to resist it as it is to resist the rising sun. Can you see it? If you cannot you are lacking in vision, in understanding. What a privilege it is to serve it. I have regretted a thousand times I can do so little for the movement that has done so much for me. The little that I am, the little that I am hoping to be, is due wholly to the Socialist movement. It gave me my ideas and my ideals, and I would not exchange one of them for all the Rockefeller blood-stained dollars. It taught me how to serve; a lesson to me of priceless value. It taught the ecstasy of the hand-clasp of the comrade. It made it possible for me to get in touch with you, to multiply myself over and over again; to open the avenue; to spread out the glorious vistas; to know that I am kin with all that throbs; with all who become class conscious. Every man who toils, everyone of them, is my comrade. To serve them is the highest duty of my life. And in their service I can feel myself expanding. I rise to the stature of a man. Yes, my heart is attuned to yours. All of our hearts are melted into one great heart which throbs to the response of the people.

"Here I hear your heart beats responsive to the Bolsheviks of Russia. (Applause) Yes, those heroic men and women, those unconquerable comrades, who have by their sacrifice added fresh lustre to the international movement. Those Russian comrades who have made greater sacrifices, who have suffered more, who have shed more heroic blood than any like number of men and women anywhere else on earth. They have led the first real convention of any democracy that ever drew breath. The first act of that memorable revolution was to proclaim a state of peace

with an appeal not to the kings, not to the rulers, but an appeal to the people of all nations. They are the very breath of democracy; the quintessence of freedom. They made their appeal to the people of all nations, the Allies as well as the Central Powers, to send representatives to lay down terms of a peace that should be lasting. Here was a fine opportunity to strike a blow to make democracy safe to the world. Was there any response to that noble appeal? And here let me say that appeal will be written in letters of gold in the history of the world. While it has been charged that the leader made a traitorous peace with Germany, let us consider this proposition briefly. At the time of the revolution, Russia had lost 4,000,000 of her soldiers. She was absolutely bankrupt. Her soldiers were without arms. This was what was bequeathed to the revolution by the Czar. For this condition, Leon Trotsky was not responsible nor was the Bolshevik movement, but the Czar was.

“When Leon Trotsky came into power, he found the secret treaties made between the French government and the British government and the Italian government which was to divide the territory of the Central Powers if the Allies were victorious, and these secret treaties have not been repudiated up to this time. Very little has been said about them in the American newspapers. This shows that the purpose of the Allies is exactly the purpose of the Central Powers.

“Wars have been waged for conquests, for plunder, and since the feudal ages, the feudal lords along the Rhine made war upon each other. They wanted to enlarge their domains, to increase their power and their wealth and so they declared war upon each other. But they did not go to war any more than the Wall Street Junkers go to war. Their predecessors declared the wars, but their miserable serfs

fought the wars. The serfs believed that it was their patriotic duty to fall upon one another, to wage war upon one another. And that is war in a nut shell. The master class has always brought a war and the subject class has fought the battle. The master class has had all to gain and nothing to lose, and the subject class has had all to lose and nothing to gain. They have always taught you that it is your patriotic duty to go to war and slaughter yourselves at their command. You have never had a voice in the war. The working class who make the sacrifices, who shed the blood, have never yet had a voice in declaring war. The ruling class has always made the war and made the peace.

“Yours not to question why,
Yours but to do and die.

“Another bit of history I want to review is that of Rose Pastor Stokes, another inspiring comrade. She had her millions of dollars. Her devotion to the cause is without all consideration of a financial or economic view. She went out to render service to the cause and they sent her to the penitentiary for ten years. What has she said? Nothing more than I have said here this afternoon. I want to say that if Rose Pastor Stokes is guilty, so am I. If she should be sent to the penitentiary for ten years, so ought I. What did she say? She said that a government could not serve both the profiteers and the employees of the profiteers. Roosevelt has said a thousand times more in his paper, the *Kansas City Star*. He would do everything possible to discredit Wilson's administration in order to give his party credit. The Republican and Democratic parties are all patriots this fall and they are going to combine to prevent the election of any disloyal Socialists. Do you know of any difference between them? One is in, the other is out. That is all the difference.

"Rose Pastor Stokes never said a word she did not have a right to utter, but her message opened the eyes of the people. That must be suppressed. That voice must be silenced. Her trial in a capitalist court was very farcical. What chance had she in a corporation court with a put-up jury and a corporation tool on the bench?

"Every Socialist on the face of the earth is animated by the same principles. Everywhere they have the same noble idea, everywhere they are calling one another 'comrade,' the noblest word that springs from the heart and soul of unity. The word 'comrade' is getting us into closer touch all along the battle line. They are waging the war of the working class against the ruling class of the world. They conquer difficulties; they grow stronger through them all.

"The heart of the international Socialist never beats a retreat. They are pressing forward here, there, everywhere, in all the zones that girdle this globe. These workers, these class-conscious workers, these children of honest toil are wiping out the boundary lines everywhere. They are proclaiming the glad tidings of the coming emancipation. Everywhere they are having their hearts attuned to the sacred cause; everywhere they are moving toward democracy, moving toward the sunrise, their faces aglow with the light of coming day. These are the men who must guide us in the greatest crisis the world has ever known. They are making history. They are bound upon the emancipating of the human race.

"Few men have the courage to say a decent word in favor of the I. W. W. I have. (Here several in the crowd yelled, 'So have I.')

After long investigation by five men who are not Socialists: John Graham Brooks, Harvard University, Mr. Bruere, Government investigator (other

names not noted). A pamphlet has been issued called "The Truth About the I. W. W."

"These men investigated the I. W. W. They have examined its doings, beginning at Bisbee, Arizona, where the officers deported five hundred. It is only necessary to label a man, 'I. W. W.' to lynch him. Just think of the state of mind for which the capitalist press is responsible.

"When Wall Street yells war, you may rest assured every pulpit in the land will yell war. The press and the pulpit have in every age and every nation been on the side of the exploiting class and the ruling class. That's why the I. W. W. is infamous.

"The I. W. W. in its career has never committed as much violence against the ruling class as the ruling class has committed against the people. The trial at Chicago is now on and they have not proven violence in a single solitary case, and yet, one hundred and twelve have been on trial for months and months without a shade of evidence. And this is all in its favor. And for this and many other reasons, the I. W. W. is fighting the fight of the bottom dog. For the very reason that Gompers is glorified by Wall Street, Bill Haywood is despised by Wall Street. What you need is greater organization.

"In the shop is where the industrial union has its beginning. Organize. Define your capacity. Act together. And when you organize industrially you will soon learn that you can manage industry as well as operate industry. You will find that you do not have to take work from them; you give them work to do. You can dispense with them. You ought to own your own tools. Organize industrially. Make the organization complete. Unite in the Socialist party. Vote as you organize. Stand with your party. See that that party improves the working

class, especially this year when the forces will clash as they have never clashed before. Take your place in the ranks. Help to inspire the weak and strengthen the faltering. Then, when we vote together we will develop the supreme power of the one class that can bring peace to the world. We will transfer the title deeds of the railroads, of the telegraphs, the mines and the mills. We will transfer them to the people. We will take possession in the name of the people. We will have industrial, social and political democracy. This change will be universal.

"And now for all of us to do our duty. The call is ringing in your ears. Do not worry over the charge of treason to your masters, but be concerned about the reason that involves yourself. This year we are going to sweep into power and in this nation we are going to destroy capitalistic institutions and recreate them. . . . The world of capital is collapsing. We need industrial builders. We Socialists are the builders of the world that is to be. We are inviting you this afternoon. Join and it will help you.

"In due course of time we will proclaim the emancipation of the brotherhood of all mankind."

3. THE DAY BEFORE THE TRIAL

These were the essential parts of the speech which Debs made at Canton. He was indicted. On Monday, September 9th, the case went to trial in Cleveland.

I happened to be out West at the time, and on Sunday, September 8th, I had the opportunity of spending the afternoon with Debs and his attorney and of hearing him review the case. The case was discussed, the attorneys presenting the various possibilities. Debs made it quite clear that there was

only one thing he could do and that was to repeat his Canton speech. He said, "I have nothing to take back. All I said I believe to be true. I have no reason to change my mind. I have no reason to change my position." His lawyers knew and he knew on Sunday that the following week would see him sentenced to the penitentiary.

He spoke of it in his quiet way as his simple opportunity to serve the cause. He said that he had always felt like a member of the rank and file, and now he had his chance to travel along the road the ordinary man had to follow, under ordinary circumstances—to go right on along the road and ignore the difficulties that were ahead. He was an old man, broken in health, facing, without flinching, without budging an eyelid, a possibility of twenty years in jail.

I remember leaving the Hotel that afternoon and walking down to the station and saying to myself: "If that man can behave as he does, there is surely no excuse for us younger chaps" and I felt then as I have felt ever since that I never in my life came in contact with so radiant a spirit as I did that afternoon when Debs was getting ready to take his place in the Federal Court and receive a penitentiary sentence.

4. DEBS ADDRESSES THE JURY

When the prosecution had finished with its case, the defense rested, and Debs addressed the jury in his own behalf. In that speech to the jury he said again the things that he had said at Canton, and then he added other things that a jury of old men, who had never heard about Socialism, should know about the purposes of the Socialist movement. Here are some of the more important passages as taken from the records of the court stenographer:

“May it please the Court, and Gentlemen of the Jury:

“For the first time in my life I appear before a jury in a court of law to answer to an indictment for crime. I am not a lawyer. I know little about court procedure, about the rules of evidence or legal practice. I know only that you gentlemen are to hear the evidence brought against me, that the Court is to instruct you in the law, and that you are then to determine by your verdict whether I shall be branded with criminal guilt and be consigned, perhaps to the end of my life, in a felon’s cell.

“Gentlemen, I do not fear to face you in this hour of accusation, nor do I shrink from the consequences of my utterances or my acts. Standing before you, charged as I am with crime, I can yet look the Court in the face, I can look you in the face, I can look the world in the face, for in my conscience, in my soul, there is festering no accusation of guilt.

“Gentlemen, you have heard the report of my speech at Canton on June 16th, and I submit that there is not a word in that speech to warrant these charges. I admit having delivered the speech. I admit the accuracy of the speech in all of its main features as reported in this proceeding. There were two distinct reports. They vary somewhat but they are agreed upon all of the material statements embodied in that speech.

“In what I had to say there, my purpose was to educate the people to understand something about the social system in which we live, and to prepare them to change this system by perfectly peaceable and orderly means into what I, as a Socialist, conceive to be a real democracy.

“From what you heard in the address of counsel for the prosecution, you might naturally infer that I am an advocate of force and violence. It is not true. I have never advocated violence in any form. I always

believed in education, in intelligence, in enlightenment, and I have always made my appeal to the reason and to the conscience of the people.

“I admit being opposed to the present form of government. I admit being opposed to the present social system. I am doing what little I can, and have been for many years, to bring about a change that shall do away with the rule of the great body of the people by a relatively small class and establish in this country an industrial social democracy.

“In the course of the speech that resulted in this indictment, I am charged with having expressed sympathy for Kate Richards O’Hare, for Rose Pastor Stokes, for Ruthenberg, Wagenknecht and Baker. I did express my perfect sympathy with these comrades of mine. I have known them for many years. I have every reason to believe in their integrity, every reason to look upon them with respect, with confidence, and with approval.

“I have been accused of expressing sympathy for the Bolsheviki of Russia. I plead guilty to the charge. I have read a great deal about the Bolsheviki of Russia that is not true. I happen to know of my own knowledge that they have been grossly misrepresented by the press of this country. Who are these much-maligned revolutionists of Russia? For years they had been the victims of a brutal Czar. They and their antecedents were sent to Siberia, lashed with a knout, if they even dreamed of freedom. At last the hour struck for a great change. The revolution came. The Czar was overthrown and his infamous régime ended. What followed? The common people of Russia came into power, the peasants, the toilers, the soldiers, and they proceeded as best they could to establish a government of the people.

“It may be that the much-despised Bolsheviki may fail at last, but let me say to you that they have writ-

ten a chapter of glorious history. It will stand to their eternal credit. Their leaders are now denounced as criminals and outlaws. Let me remind you that there was a time when George Washington, who is now revered as the father of his country, was denounced as a disloyalist, when Sam Adams, who is known to us as the father of the American Revolution, was condemned as an incendiary, and Patrick Henry, who delivered that inspired and inspiring oration that aroused the colonists, was condemned as a traitor.

“They were misunderstood at the time. They stood true to themselves, and they won an immortality of gratitude and glory.

“When great changes occur in history, when great principles are involved, as a rule the majority are wrong. The minority are right. In every age there have been a few heroic souls who have been in advance of their time, who have been misunderstood, maligned, persecuted, sometimes put to death. Long after their martyrdom monuments were erected to them and garlands were woven for their graves.

“I have been accused of having obstructed the war. I admit it. Gentlemen, I abhor war. I would oppose the war if I stood alone. When I think of a cold, glittering steel bayonet being plunged in the white, quivering flesh of a human being, I recoil with horror. I have often wondered if I could take the life of my fellow men, even to save my own.

“Men talk about holy wars. There are none. Let me remind you that it was Benjamin Franklin who said, “There never was a good war or a bad peace.”

“Napoleon Bonaparte was a high authority upon the subject of war. And when in his last days he was chained to the rock of St. Helena, when he felt the skeleton hand of death reaching for him, he cried

out in horror, "War is the trade of savages and barbarians."

"I have read some history. I know that it is ruling classes that make war upon one another, and not the people. In all of the history of this world the people have never yet declared a war. Not one. I do not believe that really civilized nations would murder one another. I would refuse to kill a human being on my own account. Why should I at the command of anyone else or at the command of any power on earth?

"Twenty centuries ago one appeared upon earth whom we know as the Prince of Peace. He issued a command in which I believe. He said, "Love one another." He did not say, "Kill one another," but "Love one another." He espoused the cause of the suffering poor—just as Rose Pastor Stokes did, just as Kate Richards O'Hare did—and the poor heard him gladly. It was not long before he aroused the ill-will and the hatred of the usurers, the money-changers, the profiteers, the high priests, the lawyers, the judges, the merchants, the bankers—in a word, the ruling class. They said of him just what the ruling class says of the Socialist today. "He is preaching dangerous doctrine. He is inciting the common rabble. He is a menace to peace and order." And they had him arraigned, tried, convicted, condemned, and they had his quivering body spiked to the gates of Jerusalem.

"This has been the tragic history of the race. In the ancient world Socrates sought to teach some new truths to the people, and they made him drink the fatal hemlock. It has been true all along the track of the ages. The men and women who have been in advance, who have had new ideas, new ideals, who have had the courage to attack the established order of things, have all had to pay the same penalty.

“A century and a half ago, when the American colonists were still foreign subjects, and when there were a few men who had faith in the common people and believed that they could rule themselves without a king, in that day to speak against the king was treason. If you read Bancroft or any other standard historian, you will find that a great majority of the colonists believed in the king and actually believed that he had a divine right to rule over them. They had been taught to believe that to say a word against the king, to question his so-called divine right, was sinful. There were ministers who opened their bibles to prove that it was the patriotic duty of the people to loyally serve and support the king. But there were a few men in that day who said, “We don’t need a king. We can govern ourselves.” And they began an agitation that has been immortalized in history.

“Washington, Adams, Paine—these were the rebels of their day. At first they were opposed by the people and denounced by the press. You can remember that it was Franklin who said to his compeers, “We have now to hang together or we’ll hang separately bye and bye.” And if the Revolution had failed, the revolutionary fathers would have been executed as felons. But it did not fail. Revolutions have a habit of succeeding, when the time comes for them. The revolutionary forefathers were opposed to the form of government in their day. They were denounced, they were condemned. But they had the moral courage to stand erect and defy all the storms of detraction; and that is why they are in history, and that is why the great respectable majority of their day sleep in forgotten graves. The world does not know they ever lived.

“At a later time there began another mighty agitation in this country. It was against an institution

that was deemed a very respectable one in its time, the institution of chattel slavery, that became all-powerful, that controlled the president, both branches of congress, the supreme court, the press, to a very large extent the pulpit. All of the organized forces of society, all the powers of government, upheld chattel slavery in that day. And again a few appeared. One of them was Elijah Lovejoy. Elijah Lovejoy was as much despised in his day as are the leaders of the I. W. W. in our day. Elijah Lovejoy was murdered in cold blood in Alton, Illinois, in 1837, simply because he was opposed to chattel slavery—just as I am opposed to wage slavery. When you go down the Mississippi River and look up at Alton, you see a magnificent white shaft erected there in memory of a man who was true to himself and his convictions of right and duty unto death.

“It was my good fortune to personally know Wendell Phillips. I heard the story of his persecution, in part at least, from his own eloquent lips just a little while before they were silenced in death.

“William Lloyd Garrison, Garret Smith, Thaddeus Stevens—these leaders of the abolition movement, who were regarded as monsters of depravity, were true to the faith and stood their ground. They are all in history. You are teaching your children to revere their memories, while all of their detractors are in oblivion.

“Chattel slavery disappeared. We are not yet free. We are engaged in another mighty agitation today. It is as wide as the world. It is the rise of the toiling and producing masses who are gradually becoming conscious of their interest, their power, as a class, who are organizing industrially and politically, who are slowly but surely developing the economic and political power that is to set them free. They are

still in the minority, but they have learned how to wait, and to bide their time.

“It is because I happen to be in this minority that I stand in your presence today, charged with crime. It is because I believe as the revolutionary fathers believed in their day, that a change was due in the interests of the people, that the time had come for a better form of government, an improved system, a higher social order, a nobler humanity and a grander civilization. This minority that is so much misunderstood and so bitterly maligned, is in alliance with the forces of evolution, and as certain as I stand before you this afternoon, it is but a question of time until this minority will become the conquering majority and inaugurate the greatest change in all of the history of the world. You may hasten the change; you may retard it; you can no more prevent it than you can prevent the coming of the sunrise on the morrow.

“My friend, the assistant prosecutor, doesn’t like what I had to say in my speech about internationalism. What is there objectionable to internationalism? If we had internationalism there would be no war. I believe in patriotism. I have never uttered a word against the flag. I love the flag as a symbol of freedom. I object only when that flag is prostituted to base purposes, to sordid ends, by those who, in the name of patriotism, would keep the people in subjection.

“I believe, however, in a wider patriotism. Thomas Paine said, “My country is the world. To do good is my religion.” Garrison said, “My country is the world and all mankind are my countrymen.” That is the essence of internationalism. I believe in it with all of my heart. I believe that nations have been pitted against nations long enough in hatred, in strife, in warfare. I believe there ought to be a

bond of unity between all of these nations. I believe that the human race consists of one great family. I love the people of this country, but I don't hate the people of any country on earth—not even the Germans. I refuse to hate a human being because he happens to be born in some other country. Why should I? To me it does not make any difference where he was born or what the color of his skin may be. Like myself he is the image of his creator. He is a human being endowed with the same faculties, he has the same aspirations, he is entitled to the same rights, and I would infinitely rather serve him and love him than to hate him and kill him.

“We hear a great deal about human brotherhood—a beautiful and inspiring theme. It is preached from a countless number of pulpits. It is vain for us to preach of human brotherhood while we tolerate this social system in which we are a mass of warring units, in which millions of workers have to fight one another for jobs, and millions of business men and professional men have to fight one another for trade, for practice—in which we have individual interests and each is striving to care for himself alone without reference to his fellow men. Human brotherhood is yet to be realized in this world. It never can be under the capitalist-competitive system in which we live.

“Yes; I was opposed to the war. I am perfectly willing, on that count, to be branded as a disloyalist, and if it is a crime under the American law punishable by imprisonment for being opposed to human bloodshed, I am perfectly willing to be clothed in the stripes of a convict and to end my days in a prison cell.

“The War of the Revolution was opposed. The Tory press denounced its leaders as criminals and outlaws. And that is what they were, under the divine right of a king to rule men.

"The War of 1812 was opposed and condemned; the Mexican War was bitterly condemned by Abraham Lincoln, by Charles Sumner, by Daniel Webster and by Henry Clay. That war took place under the Polk administration. These men denounced the President; they condemned his administration; and they said that the war was a crime against humanity. They were not indicted; they were not tried for crime. They are honored today by all of their countrymen. The War of the Rebellion was opposed and condemned. In 1864 the Democratic Party met in convention at Chicago and passed a resolution condemning the war as a failure. What would you say if the Socialist Party were to meet in convention today and condemn the present war as a failure? You charge us with being disloyalists and traitors. Were the Democrats of 1864 disloyalists and traitors because they condemned the war as a failure?

"I believe in the Constitution of the United States. Isn't it strange that we Socialists stand almost alone today in defending the Constitution of the United States. The revolutionary fathers who had been oppressed under king rule understood that free speech and the right of free assemblage by the people were the fundamental principles of democratic government. The very first amendment to the Constitution reads: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances." That is perfectly plain English. It can be understood by a child. I believe that the revolutionary fathers meant just what is here stated—that Congress shall make no law abridging the freedom of speech or of the press, or of the right of the people to peaceably assemble, and to petition the government for a redress of grievances.

“That is the right that I exercised at Canton on the 16th day of last June; and for the exercise of that right, I now have to answer to this indictment. I believe in the right of free speech, in war as well as in peace. I would not, under any circumstances, gag the lips of my bitterest enemy. I would under no circumstances suppress free speech. It is far more dangerous to attempt to gag the people than to allow them to speak freely of what is in their hearts. I do not go as far as Wendell Phillips did. Wendell Phillips said that the glory of free men is that they trample unjust laws under their feet. That is how they repeal them. If a human being submits to having his lips sealed, to be in silence reduced to vassalage, he may have all else, but he is still lacking in all that dignifies and glorifies real manhood.

“Now, notwithstanding this fundamental provision in the national law, Socialists’ meetings have been broken up all over this country. Socialist speakers have been arrested by hundreds and flung into jail, where many of them are lying now. In some cases not even a charge was lodged against them—guilty of no crime except the crime of attempting to exercise the right guaranteed to them by the Constitution of the United States.

“I have told you that I am no lawyer, but it seems to me that I know enough to know that if Congress enacts any law that conflicts with this provision in the Constitution, that law is void. If the Espionage law finally stands, then the Constitution of the United States is dead. If that law is not the negation of every fundamental principle established by the Constitution, then certainly I am unable to read or to understand the English language.

“War does not come by chance. War is not the result of accident. There is a definite cause for war, especially a modern war. The war that began in

Europe can readily be accounted for. For the last forty years, under this international capitalist system, this exploiting system, these various nations of Europe have been preparing for the inevitable. And why? In all these nations the great industries are owned by a relatively small class. They are operated for the profit of that class. And great abundance is produced by the workers; but their wages will only buy back a small part of their product. What is the result? They have a vast surplus on hand; they have got to export it; they have got to find a foreign market for it. As a result of this, these nations are pitted against each other. They are industrial rivals—competitors. They begin to arm themselves to open, to maintain the market and quickly dispose of their surplus. There is but the one market. All these nations are competitors for it, and sooner or later every war of trade becomes a war of blood.

“Now, where there is exploitation there must be some form of militarism to support it. Wherever you find exploitation you find some form of military force. In a smaller way you find it in this country. It was there long before war was declared. For instance, when the miners out in Colorado entered upon a strike about four years ago, the state militia, that is under the control of the Standard Oil Company, marched upon a camp, where the miners and their wives and children were in tents. And by the way, a report of this strike was issued by the United States Commission on Industrial Relations. When the soldiers approached the camp at Ludlow, where these miners, with their wives and children, were, the miners, to prove that they were patriotic, placed flags above their tents, and when the state militia, that is paid by Rockefeller and controlled by Rockefeller, swooped down upon that camp, the first thing they did was to shoot those United States flags into tatters. Not one of them was indicted or tried because he was a

traitor to his country. Pregnant women were killed, and a number of innocent children slain. This in the United States of America,—the fruit of exploitation. The miners wanted a little more of what they had been producing. But the Standard Oil Company wasn't rich enough. It insisted that all they were entitled to was just enough to keep them in working order. There is slavery for you. And when at last they protested, when they were tormented by hunger, when they saw their children in tatters, they were shot down as if they had been so many vagabond dogs.

“And while I am upon this point, let me say just another word. Working men who organize, and who sometimes commit overt acts, are very often condemned by those who have no conception of the conditions under which they live. How many men are there, for instance, who know anything of their own knowledge about how men work in a lumber camp—a logging camp, a turpentine camp? In this report of the United States Commission on Industrial Relations, you will find the statement proved that peonage existed in the state of Texas. Out of these conditions springs such a thing as the I. W. W.—when men receive a pittance for their pay, when they work like galley slaves for a wage that barely suffices to keep their protesting souls within their tattered bodies. When they can endure the condition no longer, and they make some sort of a demonstration, or perhaps commit acts of violence, how quickly are they condemned by those who do not know anything about the conditions under which they work.

“Five gentlemen of distinction, among them Professor John Graham Brooks, of Harvard University, said that a word that so fills the world as the I. W. W. must have something in it. It must be investigated. And they did investigate it, each along their

own lines; and I wish it were possible for every man and woman in this country to read the result of their investigation. They tell you why and how the I. W. W. was instituted. They tell you, moreover, that the great corporations, such as the Standard Oil Company, such as the Coal Trust, and the Lumber Trust, have, through their agents, committed more crimes against the I. W. W. than the I. W. W. have ever committed against them.

"I was asked not long ago if I was in favor of shooting our soldiers in the back. I said, "No. I would not shoot them in the back. I wouldn't shoot them at all. I would not have them shot." Much has been made of a statement that I declared that men were fit for something better than slavery and cannon fodder. I made the statement. I make no attempt to deny it. I meant exactly what I said. Men are fit for something better than slavery and cannon fodder; and the time will come, though I shall not live to see it, when slavery will be wiped from the earth, and when men will marvel that there ever was a time when men who called themselves civilized rushed upon each other like wild beasts and murdered one another, by methods so cruel and barbarous that they defy the power of language to describe. I can hear the shrieks of the soldiers of Europe in my dreams. I have imagination enough to see a battlefield. I can see it strewn with the wrecks of human beings, who but yesterday were in the flush and glory of their young manhood. I can see them at eventide, scattered about in remnants, their limbs torn from their bodies, their eyes gouged out. Yes, I can see them, and I can hear them. I look above and beyond this frightful scene. I think of the mothers who are bowed in the shadow of their last great grief—whose hearts are breaking. And I say to myself: "I am going to do the little that lies in my power to wipe from this earth that terrible scourge of war."

“If I believed in war I could not be kept out of the first line trenches. I would not be patriotic at long range. I would be honest enough, if I believed in bloodshed, to shed my own. But I do not believe that the shedding of blood bears any actual testimony to patriotism, to love of country, to civilization. On the contrary, I believe that warfare in all of its forms is an impeachment of our social order, and a rebuke to our much vaunted Christian civilization.

“And now, gentlemen of the jury, I am not going to detain you too long. I wish to admit everything that has been said respecting me from this witness chair. I wish to admit everything that has been charged against me except what is embraced in the indictment from which I have read to you. I cannot take back a word. I cannot repudiate a sentence. I stand before you guilty of having made this speech. I stand before you prepared to accept the consequences of what there is embraced in that speech. I do not know, I cannot tell, what your verdict may be; nor does it matter much, so far as I am concerned.

“Gentlemen, I am the smallest part of this trial. I have lived long enough to appreciate my own personal insignificance in relation to a great issue, that involves the welfare of the whole people. What you may choose to do to me will be of small consequence after all. I am not on trial here. There is an infinitely greater issue that is being tried today in this court, though you may not be conscious of it. American institutions are on trial here before a court of American citizens. The future will tell.”

5. DEBS TALKS TO THE JUDGE

The jury found Eugene Debs guilty and on Saturday morning the judge pronounced sentence. Before the sentence was given, Debs had another oppor-

tunity to tell someone about Socialism—this time it was the judge.

Debs never loses a chance. When the clerk asked him whether he had anything to say he made another Socialist speech. Said he:

“Your Honor, years ago I recognized my kinship with all living beings, and I made up my mind that I was not one bit better than the meanest of earth. I said then, I say now, that while there is a lower class, I am in it; while there is a criminal element, I am of it; while there is a soul in prison, I am not free. . . .

“If the law under which I have been convicted is a good law, then there is no reason why sentence should not be pronounced upon me. I listened to all that was said in this court in support and justification of this law, but my mind remains unchanged. I look upon it as a despotic enactment in flagrant conflict with democratic principles and with the spirit of free institutions.

“Your Honor, I have stated in this court that I am opposed to the form of our present Government; that I am opposed to the social system in which we live; that I believed in the change of both—but by perfectly peaceable and orderly means.

“Let me call your attention to the fact this morning that in this system five per cent. of our people own and control two-thirds of our wealth, sixty-five per cent. of the people, embracing the working class who produce all wealth, have but five per cent. to show for it.

“Standing here this morning, I recall my boyhood. At fourteen, I went to work in the railroad shops; at sixteen, I was firing a freight engine on a railroad. I remember all the hardships, all the privations, of that earlier day, and from that time until now, my heart has been with the working class. I could have

been in Congress long ago. I have preferred to go to prison. The choice has been deliberately made. I could not have done otherwise. I have no regret.

“In the struggle—the unceasing struggle—between the toilers and producers and their exploiters, I have tried, as best I might, to serve those among whom I was born, with whom I expect to share my lot until the end of my days.

“I am thinking this morning of the men in the mills and factories; I am thinking of the women who, for a paltry wage, are compelled to work out their lives; of the little children who, in this system, are robbed of their childhood, and in their early, tender years, are seized in the remorseless grasp of mammon, and forced into the industrial dungeons, there to feed the machines while they themselves are being starved body and soul. I can see them dwarfed, diseased, stunted, their little lives broken, and their hopes blasted, because in this high noon of our twentieth century civilization, money is still so much more important than human life. Gold is god and rules in the affairs of men. The little girls, and there are a million of them in this country—this, the most favored land beneath the bending skies, a land in which we have vast areas of rich and fertile soil, material resources in inexhaustible abundance, the most marvelous productive machinery on earth, millions of eager workers ready to apply their labor to that machinery to produce an abundance for every man, woman and child—and if there are still many millions of our people who are the victims of poverty, whose life is a ceaseless struggle all the way from youth to age, until at last death comes to their rescue and stills the aching heart, and lulls the victim to dreamless sleep, it is not the fault of the Almighty, it can't be charged to nature; it is due entirely to an outgrown social system that ought to be abolished, not

only in the interest of the working class, but in a higher interest of all humanity.

“I think of these little children—the girls that are in the textile mills of all description in the East, in the cotton factories of the South—I think of them at work in a vitiated atmosphere. I think of them at work when they ought to be at play or at school; I think that when they do grow up, if they live long enough to approach the marriage state, they are unfit for it. Their nerves are worn out, their tissue is exhausted, their vitality is spent. They have been fed to industry. Their lives have been coined into gold. Their offspring are born tired. That is why there are so many failures in our modern life.

“Your Honor, the five per cent. of the people that I have made reference to, constitute that element that absolutely rules our country. They privately own all our public necessities. They wear no crowns; they wield no sceptres, they sit upon no thrones; and yet they are our economic masters and our political rulers. They control this Government and all of its institutions. They control the courts.

“The five per cent. of our people who own and control all of the sources of wealth, all of the nation’s industries, all of the means of our common life—it is they who declare war; it is they who make peace; it is they who control our destiny. And so long as this is true, we can make no just claim to being a democratic government—a self-governing people.

“I believe, your Honor, in common with all Socialists, that this nation ought to own and control its industries. I believe, as all Socialists do, that all things that are jointly needed and used ought to be jointly owned—that industry, the basis of life, instead of being the private property of the few and operated for their enrichment, ought to be the com-

mon property of all, democratically administered in the interest of all.

“John D. Rockefeller has today an income of sixty million dollars a year, five million dollars a month, two hundred thousand dollars a day. He does not produce a penny of it. I make no attack upon Mr. Rockefeller personally. I do not in the least dislike him. If he were in need, and it were in my power to serve him, I should serve him as gladly as I would any other human being. I have no quarrel with Mr. Rockefeller personally, nor with any other capitalist. I am simply opposing a social order in which it is possible for one man who does absolutely nothing that is useful, to amass a fortune of hundreds of millions of dollars, while millions of men and women who work all of the days of their lives secure barely enough for existence.

“This order of things cannot always endure. I have registered my protest against it. I recognize the feebleness of my effort, but fortunately I am not alone. There are multiplied thousands of others who, like myself, have come to realize that before we may truly enjoy the blessings of civilized life, we must reorganize society upon a mutual and co-operative basis; and to this end we have organized a great economic and political movement that is spread over the face of all the earth.

“There are today upwards of sixty million Socialists, loyal, devoted, adherents to this cause, regardless of nationality, race, creed, color or sex. They are all making common cause. They are all spreading the propaganda of the new social order. They are waiting, watching and working through all the weary hours of the day and night. They are still in the minority. They have learned how to be patient and abide their time. They feel—they know, indeed—that the time is coming in spite of all oppo-

sition, all persecution, when this emancipating gospel will spread among all the peoples, and when this minority will become the triumphant majority and, sweeping into power, inaugurate the greatest change in history.

"In that day we will have the universal commonwealth—not the destruction of the nation, but, on the contrary, the harmonious co-operation of every nation with every other nation on earth. In that day war will curse this earth no more.

"Your Honor, I ask no mercy. I plead for no immunity. I realize that finally the right must prevail. I never more clearly comprehended than now the great struggle between the powers of greed on the one hand and upon the other the rising hosts of freedom.

"I can see the dawn of a better day of humanity. The people are awakening. In due course of time they will come to their own.

"When the mariner, sailing over tropic seas, looks for relief from his weary watch, he turns his eyes toward the southern cross, burning luridly above the tempest-vexed ocean. As the midnight approaches, the southern cross begins to bend, and the whirling worlds change their places, and with starry finger-points the Almighty marks the passage of time upon the dial of the universe, and though no bell may beat the glad tidings, the look-out knows that the midnight is passing—that relief and rest are close at hand.

"Let the people take heart and hope everywhere, for the cross is bending, the midnight is passing, and joy cometh with the morning. . . .

"Your Honor, I thank you, and I thank all of this court for their courtesy, for their kindness, which I shall remember always.

"I am prepared to receive your sentence."

Whereupon the judge sentenced Eugene Debs to ten years in the West Virginia Penitentiary—the penitentiary at Atlanta being too crowded to receive him.

6. THE APPEAL

An appeal was taken to the Supreme Court of the United States and was argued on the ground that the Espionage Act was unconstitutional. No act was charged against Debs, except the Canton speech. In that speech he had simply stated what he had said a thousand times before, but the Court held that under the Espionage Act a man who made a speech, the probable result of which was to create mutiny or to hinder recruiting and enlistment—was guilty, providing that he did it knowingly and wilfully. The jury had to decide first, that he had done something, the probable result of which was to create mutiny or to hinder recruiting and enlistment, and then if he had done it, that it was done with intent, knowingly and wilfully. The jury had found Debs guilty under these circumstances.

Debs was an American, and as an American he relied upon a certain guarantee contained in the First Amendment to the Constitution: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances." Debs, as an American citizen, relied upon that guarantee, and his lawyers, in making the appeal, relied upon that guarantee.

Over and against that guarantee was the Espionage Act passed originally in 1917—June 15th—and amended June 16, 1918.

The language of the original act was as follows:

(Title I, Sec. 3.) "Whoever, when the United States is at war, shall (1) wilfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States or to promote the success of its enemies, and whoever, when the United States is at war, (2) shall wilfully cause or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or shall (3) wilfully obstruct the recruiting or enlistment service of the United States, to the injury of the service or of the United States, shall be punished by a fine of not more than \$10,000 or imprisonment for not more than twenty years, or both."

The Amended Act was far more drastic:

"Whoever, when the United States is at war, shall wilfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies, or shall wilfully make or convey false reports or false statements, or say or do anything except by way of bona fide and not disloyal advice to an investor or investors, with intent to obstruct the sale by the United States of bonds or other securities of the United States or the making of loans by or to the United States, and whoever, when the United States is at war, shall wilfully cause, or attempt to cause, or incite or attempt to incite, insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or shall wilfully obstruct or attempt to obstruct the recruiting or enlistment service of the United States, and whoever, when the United States is at war, shall wilfully utter, print, write or publish any disloyal, profane, scurrilous or abusive language about the form of govern-

ment of the United States, or the Constitution of the United States, or the military or naval forces of the United States, or the flag of the United States, or the uniform of the Army or Navy of the United States, or any language intended to bring the form of government of the United States, or the Constitution of the United States, or the military or naval forces of the United States, or the flag of the United States, or the uniform of the Army or Navy of the United States into contempt, scorn, contumely, or disrepute, or shall wilfully utter, print, write or publish any language intended to incite, provoke or encourage resistance to the United States, or to promote the cause of its enemies, or shall wilfully display the flag of any foreign enemy, or shall wilfully, by utterance, writing, printing, publication or language spoken, urge, incite or advocate any curtailment of production in this country of any thing or things, product or products, necessary or essential to the prosecution of the war in which the United States may be engaged, with intent by such curtailment to cripple or hinder the United States in the prosecution of the war, and whoever shall wilfully advocate, teach, defend, or suggest the doing of any of the acts or things in this section enumerated, and whoever shall, by word or act, support or favor the cause of any country with which the United States is at war or by word or act oppose the cause of the United States therein, shall be punished by a fine of not more than \$10,000 or imprisonment for not more than twenty years, or both." . . .

There you have two pieces of legislation. On the one hand, the Constitution provides immunity, and on the other hand, the Espionage Act provides a penalty for the expression of opinion.

The Supreme Court on the 10th of March handed down its decision. The decision was read by Justice Holmes and concurred in by the entire court.

7. THE SUPREME COURT DECISION

The substance of the decision is contained in the following sentences:

"The main theme of the speech was Socialism, its growth and a prophecy of its ultimate success. With that we have nothing to do, but if a part ~~or~~ the manifest intent of the more general utterances was to encourage those present to obstruct recruiting service, and if in passages such encouragement was directly given, the immunity of the general theme may not be enough to protect the speech."

Justice Holmes concludes, after a review of the case, that the immunity, under the First Amendment, did not protect the speech. In that argument, he referred to a decision which had been handed down on the 3rd of March known as the Schenk Case—another Espionage Act case—in which this point concerning the immunity under the First Amendment was stated at length by Justice Holmes in this language:

"We admit that in many places and in ordinary times, the defendants would have been within their constitutional rights. But the character of every act depends upon the circumstances in which it is done. . . . The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent."

That is the Debs decision. That is the method in which the Supreme Court handled the popular liberties guaranteed under the First Amendment. The Court might have thrown the Espionage Act out under the First Amendment as it threw out the Child Labor Law. The Court might have ruled this act unconstitutional. The Court did not decide that Congress had no right to pass the Espionage Act. The Court

did decide that since Congress had passed the Espionage Act, Debs had no right to make his speech. What are the implications of this position of the Supreme Court? "Congress shall make no law abridging the freedom of speech," says the Constitution. Congress passes a law abridging the freedom of speech, and the Supreme Court holds that the Courts, in interpreting the Constitution, must bear in mind the law that Congress has passed. We had thought that the Constitutional guarantee was superior to any law that Congress might pass, but the Court specifically holds in the Schenk Case that if "the words are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent." Then the First Amendment affords no protection.

Congress is made the arbiter. Congress now decides what may be said and what may not be said.

This means that the Constitution does not guarantee personal liberty. Speech is free, if you keep within the laws passed by Congress, not otherwise. "Congress shall make no law abridging the freedom of speech," declares the Constitution. Speech is free, says the Court, if you obey the laws passed by Congress. What is the result? If the United States enters the League of Nations as a constituent part of it, and if the League of Nations carries on a series of minor wars, this country will be at war perhaps for fifty years, and during that time free speech will be banned under this decision of the Supreme Court; during that time the Espionage Act will operate; there will be no free speech in the United States.

Congress—under this decision—might pass a law making it a crime to advocate the establishment of industrial democracy in the United States, and from

the time that law was passed, any man who advocated industrial democracy in the United States would have no immunity under the First Amendment.

Congress might pass a law making it a crime to demand that the Courts of the United States be abolished, and from that time no person could advocate the abolition of the United States Courts without violating the law.

Congress might make it a criminal offense to criticize the President and from that day forward no person could criticize the President without violating the law.

This decision makes Congress, not the Constitution, the arbiter of the limits of freedom of expression; therefore, we must conclude that neither the Courts of the United States, nor the Constitution of the United States can be relied upon to guarantee the American people the right of free speech. Thus, freedom of discussion is ended. Democracy in the United States is dead. The Supreme Court on the 10th of March, in the Debs' case, wrote its epitaph.

A little thought will reveal the seriousness of the situation. A little reflection will show the position in which the American people find themselves, with regard to personal liberties, since the tenth of March, 1919.

8. THE CLASS STRUGGLE AGAIN!

Classes have come and classes have gone down through the pages of history. Whenever the position of a ruling class has been threatened, the ruling class has crucified the truth-tellers.

Compared with the necessity of protecting ruling class privileges and prerogatives, the right of a man to express his mind goes for nothing. That is the

lesson of history and that is what we are witnessing today. Men who have stirred up the people; men who have raised their voices in protest; men who thought straight; men who have loved their fellow men too much; men who have had conviction and courage and purpose; men who were willing to stick by their ideals—such men have suffered in every age.

Eugene V. Debs has stirred up the people all his life. Since he was a boy firing a locomotive engine, he has been an agitator. He has always stood for justice, for liberty and brotherhood. He has loved his fellow men; he has been gentle and sincere; he has been devoted to what he regards as the greatest cause in the world. On this war he has stood like granite, unwavering and unflinching, voicing the protest of the masses who had no voice with which to speak. He has uttered what they believed.

The preachers who deserted their flocks; the teachers who betrayed their trust; the editors who took their 30 pieces of silver in these last few years—they are free; they are honored; they are respected. But this man who thought straight; who loved his fellows, who spoke his convictions; who was true to his ideals—this man is permitted to go to jail by the Supreme Court of the United States.

I have seen the Supreme Court and I have seen Eugene V. Debs. From the Supreme Court I got neither love nor inspiration; from Debs I got both.

In his generation in the United States, there is not a greater man than Eugene V. Debs—not because of what he has done, but because of what he is, and when the history of this generation is written, that fact will be recorded.

The masters in all ages have put men like Debs in jail because it is the truth-teller that the masters fear most. They fear the Truth; they fear the Light; they fear Justice; and the man who turns on the

Light and speaks the Truth and cries out for Justice—is their greatest enemy. So they have always tried this process of putting ideas into jail.

9. PUTTING IDEAS IN JAIL

Years ago, when the Mexican War was being fought, an American named Henry D. Thoreau refused to pay his war tax. He did not believe in the war and he refused to support the Government that prosecuted the war. So they put Thoreau in jail. Later he wrote about his experience:

“As I stood considering the walls of solid stone, two or three feet thick, and the door of wood and iron, a foot thick, and the iron grating which strained the light, I could not help being struck with the foolishness of that institution which treated me as if I were mere flesh and blood and bones, to be locked up. . . .

“I felt as if I alone of all my townsmen had paid my tax. . . .

“I could not but smile to see how industriously they locked the door on my meditations, which followed them out again without let or hindrance, and they were really all that was dangerous. As they could not reach me, they had resolved to punish my body; just as boys, if they cannot come at some person against whom they have a spite, will abuse his dog.

“I saw that the State was half-witted, that it was timid as a lone woman with her silver spoons, and that it did not know its friends from its foes, and I lost all my remaining respect for it, and pitied it. . . .

“Under a government which imprisons any unjustly, the true place for a just man is also a prison. The proper place today, the only place which Massachusetts has provided for her freer and less despond-

ing spirits, is in her prisons, to be put out and locked out of the State by her own act, as they have already put themselves out by their principles. It is there that the fugitive slave, and the Mexican prisoner on parole, and the Indian come to plead the wrongs of his race, should find them; on that separate but more free and honorable ground, where the State places those who are not with her but against her—the only house in a slave State on which a free man can abide with honor.

“If any think that their influence would be lost there, and their voices no longer afflict the ear of the State, that they would not be as an enemy within its walls, they do not know by how much truth is stronger than error, nor how much more eloquently and effectively he can combat injustice who has experienced a little in his own person.

“There will never be a really free and enlightened State until the State comes to recognize the individual as a higher and independent power, from which all its own power and authority are derived, and treats him accordingly.”

10. THE SUPREME COURT COULD NOT SAVE SLAVERY

Once before the Supreme Court of the United States tried to save a decaying social institution—the institution of Slavery. There was a slave named Dred Scott. He was owned by a resident of Missouri. He was taken into Minnesota and into Illinois. Illinois was a free State by its own laws. Minnesota was free by the Missouri Compromise of 1820. Then his master took Dred Scott back to Missouri, and there Dred Scott tried to gain his freedom. The case was finally decided by the Supreme Court of the United States in 1857.

The Supreme Court held (two justices dissenting) that Scott could not sue in the lower courts because he was not a citizen and, therefore, was not entitled to any standing in the courts; that at the time of the formation of the Constitution, negroes descended from negro slaves were not and could not be citizens in any of the States; and that there was no power in the existing form of Government to make citizens of such persons. In the course of his decision, Judge Taney used the following language:

"It is difficult, at this day, to realize the state of public opinion which prevailed in the civilized and enlightened portions of the world at the time of the Declaration of Independence, and when the Constitution was framed and adopted in relation to that unfortunate race. But the public history of every European nation displays it in a manner too plain to be mistaken. They had for more than a century before been regarded as beings of an inferior order, and altogether unfit to associate with the white race, either in social or political relations; and so far inferior that they had no rights which the white man was bound to respect, and that the negro might justly and lawfully be reduced to slavery for his benefit. He has been bought and sold and treated as an ordinary article of merchandise and traffic, whenever a profit could be made by it. The opinion was at that time fixed and universal in the civilized portion of the white race."

The Chief Justice went farther than the point at issue warranted, and stated that the power of Congress to govern territory was subordinate to its obligation to protect private rights in property and that slaves were property and as such were protected by the constitutional guarantees; that Congress had no power to prohibit the citizens of any State to carry into any territory slaves or any other property; and

that Congress had no power to impair the constitutional protection of such property while thus held in a territory.

The Dred Scott decision fastened Slavery forever upon the United States. Slavery lasted just six years.

11. MORE PATCH WORK!

At the present time, Capitalism is tottering to its downfall. The world is in chaos and revolution. The Supreme Court has handed down a decision which ostensibly will assist in preserving established order, but the United States is a Capitalist nation and, as Mr. Wilson himself has so admirably put it:

“The masters of the Government of the United States are the combined capitalists and manufacturers of the United States.” (“New Freedom,” page 57.)

Capitalism is disappearing from Europe—Russia, Germany, Austria, Bohemia, Hungary—the list is growing from week to week. When the President came back on his little visit to America there was one new thing that he said, and only one new thing:

“The men who are in conference in Paris realize as keenly as any Americans can realize that they are not the masters of their people.” (Boston, February 24th, 1919.)

“When I speak of the nations of the world, I do not speak of the governments of the world. I speak of the peoples who constitute the nations of the world. They are in the saddle, and they are going to see to it that if present governments do not do their will, some other government shall, and the secret is out and the present governments know it.” (Boston, February 24th.)

"I want to utter this solemn warning, not in the way of a threat; the forces of the world do not threaten, they operate. The great tides of the world do not give notice that they are going to rise and run; they rise in their majesty and overwhelming might and they who stand in the way are overwhelmed. Now the heart of the world is awake and the heart of the world must be satisfied. Do not let yourselves suppose for a moment that the uneasiness in the populations of Europe is due entirely to economic causes and economic motives; something very much deeper underlies it all than that. They see that their governments have never been able to defend them against intrigue or aggression, and that there is no force of foresight or of prudence in any modern cabinet to stop war." (New York, March 4th, 1919.)

Then comes Mr. Wm. Allen White on the 11th of March with a similar statement. On the next day comes Mr. Lansing with the statement that unless something is done and done quickly, the capitalist system in Europe will be overthrown. The world is in chaos. The fabric of civilization is threatened. The health and happiness—the very life of the world—is threatened.

And those who speak particularly of those things; those who are seeking to warn, to prepare the people; those who attempt to preach law and order; who oppose war; who believe in peace—those who are attempting to serve the interests of humanity—go to jail for ten years.

The highest authority in the United States has served notice on the American people that from it they can hope for nothing in the way of preservation of their liberties. Their liberties are dead. Well may those Americans who still have in their souls a spark of the old fire, turn back 143 years and

read these words from the Declaration of Independence:

“We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.”

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By

SCOTT NEARING

Author of "Income," "Wages in the United States,"
"Anthracite," "Poverty and Riches," etc.

"Paradise is under the shadow of swords."

—Mahomet.

"I know what war means. I have been with the armies of all the belligerents except one, and I have seen men die, and go mad, and lie in hospitals suffering hell; but there is a worse thing than that. War means ugly mob-madness, crucifying the truth-tellers, choking the artists, side-tracking reforms, revolutions and the working of social forces."

—John Reed in the *Masses*, April, 1917.

"Whose war is this? Not mine. I know that hundreds of thousands of American workingmen employed by our great financial 'patriots' are not paid a living wage. I have seen poor men sent to jail for long terms without trial, and even without any charge. Peaceful strikers, and their wives and children, have been shot to death, burned to death, by private detectives and militiamen. The rich has steadily become richer, and the cost of living higher, and the workers proportionally poorer. These toilers don't want war—not even civil war. But the speculators, the employers, the plutocracy—they want it, just as they did in Germany and in England; and with lies and sophistries they will whip up our blood until we are savage—and then we'll fight and die for them."

—John Reed in the *Masses*, April, 1917.

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TABLE OF CONTENTS

1.	"Give the Poor Trusts a Chance"	5
2.	The "Defense of the United States"	7
3.	The "Patriots"	11
4.	Armed Neutrality	14
5.	The "Traitors"	17
6.	The Second of April	19
7.	The Liberty Loan	25
8.	Conscription	27
9.	Censorship	29
10.	Spreading Americanism with the Sword	35
11.	Root and Balfour	40
12.	The People Awake!	41

Lat. 3 and 4. 22 Dec 1917 used Franklin

THE FIVE SOULS

I was a peasant of the Polish plain,
I left my plough because the message ran—
Russia in danger, needed every man,
To save her from the Teuton—and was slain.
I gave my life for freedom, this I know,
For those who bade me fight had told me so.

I was a Tyrolese, a mountaineer,
I gladly left my mountain home to fight
Against the brutal, treacherous Muscovite—
And died in Poland on a Cossack spear.
I gave my life for freedom, this I know,
For those who bade me fight had told me so.

I worked in Lyons at my weaver's loom,
When suddenly the Prussian despot hurled
His felon blow at France, and at the world;
Then I went forth to Belgium—and my doom.
I gave my life for freedom, this I know,
For those who bade me fight had told me so.

I owned a vineyard by the wooded Main,
Until the Fatherland, begirt by foes,
Lusting her downfall, called me, and I rose
Swift to the call—and died in fair Lorraine.
I gave my life for freedom, this I know,
For those who bade me fight had told me so.

I labored in a shipyard by the Clyde;
There came a sudden word of war's declared,
Of Belgium peaceful, helpless, unprepared,
Asking our aid, I joined the ranks—and died.
I gave my life for freedom, this I know,
For those who bade me fight had told me so.

1. "GIVE THE POOR TRUSTS A CHANCE"

The entrance of the United States into the world war on April 6, 1917, was the greatest victory that the American plutocracy has won over the American democracy since the declaration of war with Spain in 1898. The American plutocracy urged the war; shouted for it; demanded it; insisted upon it, and finally got it.

The plutocracy welcomed the war—not because it was a war, but because it meant a chance to get a stronger grip on the United States. The two per cent of the people (one person in each fifty) who own sixty per cent of the wealth of the United States are no different from the other people of the country,—they are no more selfish, greedy or ferocious. They realize that war is barbarous, and they would avoid it if they possibly could. They also believe that there are some things worse than war,—the confiscation of special privileges; the abolition of unearned income; the overthrow of the economic parasitism; the establishment of industrial democracy. The plutocrats would welcome a war that promised salvation from any such calamities; they would also welcome a war that promised greater foreign markets, the destruction of foreign competition, more security for property rights and a longer lease on life for plutocratic despotism.

The plutocrats, or wealth lords, are not savages, ogres or devils. They are men and women whose economic and social position makes them feel the "cohesion of wealth." Engaged in a common enterprise—the maintenance of a social system that enables them to live upon the labor of the masses—they will do anything and everything that will safeguard and protect that system.

The plutocrats were for the war from the beginning. They urged preparedness; they demanded national defense;

they cried aloud for reprisals upon Germany because the whole thing "looked good" to them. Why? Because it gave them a chance to deliver a knock-out blow to the American democracy.

Big business was in public disfavor. Advertisements, "boiler-plate," news stories, press agents and blatant philanthropies had little effect. The people would not forget the "public be damned" days of the business buccaneers. They had learned about the rebates, the unfair rates, the debauchery of public officials and the criminal practices by which many of the most successful of the big business men had climbed into power. The people were "wise" to big business, and they were getting wiser every day.

The immense success of the parcels post sounded an ominous warning to special privilege. There was general talk that the telephone and telegraph industry would be nationalized next, and that the railroads would follow suit at an early date. If this socializing of industry was once begun, where was it to end?

The public had been educated, through many years, by progressive and radical political leaders, newspaper men, and social workers. There was the labor movement in its various phases—unions, socialism, I. W. W. The people were learning the lesson rapidly. Laws were passed; commissions were appointed; regulations were imposed. Most of the laws were violated; most of the commissions were captured by the plutocrats and most of the regulations were evaded. Still public opposition rose stubbornly and surely.

The plutocracy wanted a free hand. Since the Spanish War the United States had been a lending nation. The wealth of the country in 1900 was 87 billions; in 1912, 187 billions; in 1917, 250 billions. There were 120 persons, who admitted, in 1916, that they had incomes of over a million dollars a year. The wealth of the country was vast—enough to feed, clothe, house and educate every boy and girl; enough to give all of the necessities and most of the simple comforts of life to every family. The plutocrats were not

interested in these matters, however. They wanted security for investments at home and abroad.

Things at home were in bad shape and promising to get worse. Millions of people were sore on the system which fed the owner and starved the worker; millions of casual laborers—men and women—wandered from job to job; from city to city, discouraged, homeless, indifferent. The revolutionary fury that was passing through the country broke out menacingly in Colorado, West Virginia, Lawrence, Paterson, Bayonne and New York. People no longer asked, "Will there be a revolution?" but, "When will the revolution come?"

The plutocrats had lost public confidence. They realized that if they were to hold their position public confidence must be regained.

The control by the vested interests of natural resources, banks, railroads, mines, factories, political parties, public offices, courts and court decisions, the school system, the press, the pulpit, the movie business, the magazines—all of this power amounted to nothing in a community that believed itself a democracy, unless public opinion was behind it.

How could the plutocracy—the discredited, villified plutocracy—get public opinion? There was only one way—it must line up with some cause that would command public confidence. The cause that it chose was the "defense of the United States."

2. THE "DEFENSE OF THE UNITED STATES"

The plutocracy, with a united front, "went in" for the "defense of the United States." Instead of opposing and antagonizing the people, before picking their pockets, the business interests attacked them on the side of their greatest weakness—playing upon the primitive emotions of fear and

hate. With the immense power of the public press at their disposal; possessing unlimited means; united on a common policy, they spread terror over the land.

The campaign was intense and dramatic. Japanese invasions, Mexican inroads, and a world conquest by Germany were featured in the daily press, in the magazines, on the movie screens and in public addresses. Depredations, murder and rapine were to be the lot of the American people unless they built battleships and organized armies.

The campaign to arouse the American people against the Mexicans was so raw that President Wilson felt called upon to make a public statement (March 26, 1916), in which he charged that "there are persons all along the border who are actively engaged in originating and giving as wide currency as they can to rumors of the most sensational and disturbing sort which are wholly unjustified by the facts. The object of this traffic in falsehood is obvious. It is to create intolerable friction between the government of the United States and the *de facto* government of Mexico for the purpose of bringing about intervention in the interests of certain American owners of Mexican properties."

Still the campaign was continued and when the unwillingness of the Mexicans to fight made the manufacture of jingoistic propaganda impossible in that quarter, the advocates of "national defense" turned to Germany as offering the greatest opportunities.

The preparedness campaign was a marvel of efficient business organization. Its promoters made use of every device known to the advertising profession. The best brains were employed and the country was literally blanketed with preparedness propaganda.

Allan L. Benson began an article in "Pearson's" (April, 1916) headed "The Indecent Preparedness Campaign," with these words, "The process of outraging public decency and calling it a campaign for preparedness goes merrily on in these United States. Perhaps never before were more lies

told, more truths suppressed, more insincerity shown or more politics played." This was one of a series of brilliant, thoughtful stories, in which Benson took the words of the preparedness crowd from their own mouths and showed the reasons that lay behind their activities.

Officers of the army and navy were frank in insisting that the defense of the United States was adequately provided for. General Miles¹ said: "Having had much to do with the placing and construction of our fortifications and inspecting every one along the Atlantic, Pacific and Gulf Coasts, as well as having had an opportunity to see all the great armies of the world and many of their coast fortifications, including the Dardanelles, I am prepared to say that our coasts are as well defended as the coast of any country with the same class of guns, and heavy projectiles, and I have no sympathy with the misrepresentations that have been made in the attempt to mislead the public."

Still the preparedness campaign continued with redoubled vigor. Congressman Clyde H. Tavenner in his speech, "The Navy League Unmasked," showed why. He gave facts like those appearing in George R. Kirkpatrick's book, "War, What For"; and in F. C. Howe's "Why War," showing that in the words of an English authority "Patriotism at from 10 to 15 per cent is a temptation for the best citizens." Tavenner stated that four firms "constituting the war trust have received army and navy contracts aggregating 175 million dollars." He contended that "army and navy officials have generously paid the war trust from 20 to 60 per cent more than the same supplies could have been manufactured for in government arsenals." He showed that the present "Chief of Ordnance was formerly in partnership with the Bethlehem Company, one of the war trust firms," and that the "powder trust was represented in Washington by an ex-army official and an ex-member of Congress." He then showed the connection that existed between the pre-

¹ Congressional Record, February 3, 1916, page 2265.

paredness campaign and those who were making profits out of the war business, the nickel business, the copper business, and the steel business, interlocked through interlocking directorates; then he established the connection between the Navy League and the firm of J. P. Morgan & Company, 23 Wall Street, New York. Regarding this connection, Congressman Tavenner says: "The Navy League upon close examination would appear to be little more than a branch office of the house of J. P. Morgan & Company, and a general sales promotion bureau for the various armor and munition makers and the steel, nickel, copper and zinc interests. At least, they are all represented among the directors, officers, founders or life members of or contributors to the Navy League. Especially are all firms of big business represented, and big business invariably heads in at 23 Wall Street, New York."¹

Tavenner concludes: "It is not a crime but a fact that the munition patriots founded the Navy League. * * * The armor plate makers are the most patriotic patriots on earth." "There are but three firms in the United States who manufacture armor plate—Midvale, Bethlehem and Carnegie companies—each of them is represented in the list of 19 men who, according to the official journal of the Navy League, were founders of the organization. * * * Is it not a rather peculiar coincidence that among these 19 directors who stepped forth from all the millions of the American citizens to save the Republic by advocating larger appropriations for battleships every armor making concern in the United States should be represented?"

Congressman Tavenner's recital of facts differs little from that which is abroad in every other great nation of the western world that has been the victim of the kind of preparedness agitation that swept over the United States during the three years preceding the war. "Self-defense" was the theme.

¹ "The Navy League Unmasked" speech of December 15, 1915, page 13.

"Defenseless America" the refrain. "Preparedness" was an argument in itself and every channel of publicity in the United States devoted a major share of attention to this argument.

Aggressive Germany was the danger mark. It was against her infamous desire to impose Kultur upon the world that America was urged to prepare herself. It was for this purpose that the President signed a bill during the summer of 1916 appropriating 662 million dollars for the army and navy, a sum larger than had ever before been appropriated for war purposes by any nation in times of peace. Well might LaFollette exclaim, in his speech (July 19-20, 1916) opposing this appropriation,—"I object, Mr. President, to a game, a plan, a conspiracy to force upon this country a big army and a big navy, to use the Treasury of the country, and if need be the lives of its people, to make good the foreign speculation of a few unscrupulous masters of finance."

The preparedness movement came from the business interests. It was fostered and financed by the plutocracy. It was their first successful effort at winning public confidence, and so well was it managed that millions of Americans fell into line, fired by the love of the flag and the world-old devotion to family and fireside; millions more trembled with the fear of the frightful war that was coming, and other millions were gripped by the hate and the war lust that inspire war madness.

3. THE "PATRIOTS"

From preparedness to patriotism was a short step. The preparedness advocates had used the flag freely. They had played national airs, evoked the spirit of the founders of American democracy and worked upon the emotions of the people until it was generally understood that those who favored preparedness were patriots.

Patriotism ran high. Enthusiasm for the flag increased. Patriotic committees were organized, but when the names of the patriots appeared in the newspapers they were distinguished by one outstanding fact,—the vast majority of them were the successful business and professional men who were the center and forefront of the patriotic movement just as they had been the center and forefront of the preparedness movement.

The price of flags rose rapidly—the flag manufacturers took this opportunity to get their share of the good things that were “going round”—nevertheless, the workers by the hundreds of thousands “contributed” to provide flags for the establishments in which they were employed. Men were discharged when they refused to make such “contributions.”

The business interests were in clover. After years of unpopularity, after being forced to endure investigation, criticism, and antagonistic legislation, after being condemned by even the conservative element in public life as a menace to American progress and well-being, the business interests suddenly found themselves in a movement that was carrying the people, and they worked it for all it was worth.

“Patriotism” was the refrain of every speech and every article—a patriotism of their own particular brand.

The plutocratic brand of patriotism won the endorsement of the press, the pulpit, the college, and every other important channel of public information in the United States. The “educated,” “cultured,” “refined,” “high-principled” editors, ministers, professors and lawyers accepted it and proclaimed it as though it were their own. Turning their backs upon principle, throwing morals and ideals to the winds, they tumbled over one another in a wild scramble to be the first to join the chorus of plutocratic patriotism.

Randolph Bourne, in a brilliant article (*Seven Arts*, July, 1917) reminds his readers of “the virtuous horror and stupefaction of our college professors when they read the

manifesto of their ninety-three German colleagues in defense of the war. To the American academic mind of 1914 defense of war was inconceivable. From Bernhardt it recoiled as from a blasphemy, little dreaming that two years later would find it creating its own cleanly reasons for imposing military service on the country and for talking of the rough rude currents of health and regeneration that war would send through the American body politic. They would have thought anyone mad who talked of shipping American men by the hundreds of thousands—conscripts—to die on the fields of France. * * * The war sentiments, begun so gradually but so perseveringly by the preparedness advocates who came from the ranks of big business, caught hold of one after another of the intellectual groups. * * * It must never be forgotten that in every community it was the least liberal and least democratic elements among whom the preparedness and later the war element were found. The farmers were apathetic, the small business men and working men are still apathetic toward the war. The election was a vote of confidence in a President who would keep the faith of neutrality. The intellectuals, in other words, have identified themselves with the least democratic forces in American life."

The American plutocracy was magnified, deified, and consecrated to the task of making the world safe for democracy. The brigands had turned saints and were conducting a campaign to raise \$100,000,000 for the Red Cross.¹ The malefactors of great wealth, the predatory business forces, the special privileged few who had milked the American people for generations became the prophets and the crusaders, the keepers of the ark of the covenant of American democracy.

¹ This campaign was directed by H. P. Davison, one of the leading members of the firm of J. P. Morgan & Co.

4. ARMED NEUTRALITY

Throughout the war, the United States had been referred to as the "great neutral." At the very beginning of the contest President Wilson had urged the people to be neutral in thought as well as in act. Meanwhile¹ the British fleet blockaded Germany, closed the North Sea, sowed it with mines, and refused to permit American manufacturers to sell goods to the Central Powers. This constituted a brazen violation of international law. By accepting this blockade the United States became the armorer and the provisioner of the Allied countries. Whatever the Allies wanted was manufactured by the United States and shipped to them, contraband and non-contraband alike. The statement was repeatedly made that we were willing to sell to the Central Powers on the same terms, but the fact that the Central Powers could not possibly buy from us rendered any talk of neutrality the thinnest kind of a sham.

England confiscated cargoes in violation of international law. Her mines sunk American ships and destroyed American lives.² Being mistress of the sea she held up mails, despite American protests. The German submarines sank American boats also in violation of international law. The protests against England's depredations were feeble, those against Germany were uproarious. American sentiment was being shaped deliberately in favor of the Allies from whom American bankers, manufacturers and traders were making a billion dollars a year of war profits. Driven by this economic pressure, the country ceased to talk of neutrality, and became frankly pro-Ally, in utterances as well as in business transactions. When Germany announced a blockade of England by her submarines as complete as the blockade which England has established over Germany and

¹ For an excellent summary write to Senator LaFollette for a copy of his speech in the Senate, April 4, 1917.

² On this point get Congressman Lundeen's speech, April 5, 1917.

warned American shipping away from the waters surrounding the British Isles in the same way that England has warned American shipping away from the waters surrounding Germany, the American business interests put up a bitter cry of protest.

The situation was critical. American business stood to lose billions.

The President hurried to the rescue with his preposterous phrase "armed neutrality," and asked Congress for permission to place guns and gunners on American merchantmen. While the President asked for this authority as a peace measure, it was pretty clear that armed neutrality would mean war the first time that an armed merchantman met a submarine.

The President's request for authority to arm American merchant vessels was made in an address to Congress, February 26, 1917, in which he said,—“I am not now proposing or contemplating war or any steps that need lead to it. * * * I request that you authorize me to supply our merchant ships with defensive arms, should that become necessary, and with the means of using them.”

A bill authorizing the President to arm merchant vessels was introduced. The newspapers of the country backed it eagerly. The administration pushed it vigorously, but the bill went down to defeat because of a filibuster by a little group of senators of whom LaFollette was the leading figure.

Senator LaFollette, who made a thorough study of the question, opposed the bill on the ground that it must lead inevitably to war. “I became convinced,” he said, “that arming our merchant ships was wholly futile and its only purpose and effect would be to lure our merchantmen to danger, and probably result in the destruction of the vessels and in the loss of the lives of those on board.”¹

¹ Speech in the Senate, April 4, 1917, page 4.

* * * "This bill was not only unconstitutional; it **was**, in my judgment, foolish and inadequate. There was no evidence before Congress that would warrant the conclusion that the arming of these ships would afford protection.

"The available evidence points to the futility of such armament. * * * The merchant ships of the Allies are armed. Their great loss of tonnage is conclusive evidence that guns planted on merchant ships are ineffectual in warding off submarine attack.¹

But why the eagerness to arm merchant vessels? Whence the agitation? Who was it that wanted American ships to carry guns? The ship owners, of course, and the British ship owners at that.

Senator LaFollette takes up that issue in his illuminating way. He says,² "The demand came chiefly from the American Line, whose tonnage is less than five per cent of the total tonnage of the United States engaged in foreign trade. The American Line is a subsidiary of the International Mercantile Marine Company, which in December, 1916, had 102 vessels flying the British flag, two flying the Belgian flag and eight flying the United States flag. The control of the International Mercantile Marine Company, prior to the war, was in England. Whether the stock control is now English, or Morgan, is immaterial. J. P. Morgan is the fiscal head in the United States to-day, and he is the official financial agent of Great Britain in all her dealing with the people of this country." * * * "When one of the American Line ships, armed with United States guns, sails out to sea the orders to fire will be given by Mr. Franklin's master of the ship, not by the United States gunner. The English owners give orders to Franklin. The English owners take their orders from the British Admiralty. Hence, we, professing to be a neutral nation, are placing American guns and American gunners practically under the orders of the British Admiralty. * * *

¹ "America's War Madness," *Pearson's*, May, 1917, pages 453-4.

² *Ibid.*

"The armed ship bill commanded overwhelming support, not only of the party in power, whipped into line to railroad through the Senate an Administration measure, but also of all those sinister influences which have been clamoring for war—the munition makers, the gamblers in war stocks and war contracts and the financial interests who have loaned vast sums to one set of belligerents.

"Against these plotters, against the enemies of our democracy I take my stand with an abiding faith in the justice, the ultimate understanding and the judgment of the American people."

These brave words could not stay the tide of plutocratic patriotism that was sweeping the country into war. They did, however, voice the feelings of tens of millions of Americans, who, lacking any means of self-expression, were nevertheless convinced that "armed neutrality," like many another diplomatic phrase, was a convenient peg on which to hang a fresh installment of the war-madness propaganda.

5. THE "TRAITORS"

The armed ship bill failed to pass because a handful of senators refused to have it rushed through during the closing hours of the session. The result was electric. The President denounced them as "a little group of willful men." The papers cartooned them and villified them in the most shameless manner. They were called "German agents" and scores of newspapers presented them with the Iron Cross. Among those senatorial "traitors" were the few senators who had stood for the common people against the vested interests. LaFollette had fought special privilege consistently for a generation. For twenty years he had won his battles. Now it was the turn of the business oligarchy which he had opposed and they went after him savagely. Perhaps no American since Lincoln's time has been so

shamelessly abused by the public prints as was LaFollette because of his stand on the war.

If the American democracy wins its fight with the plutocracy, future generations of school children will be taught to revere as patriots and heroes the little group who defied the plutocracy and opposed militarism. Senator LaFollette, in his magnificent protest against the declaration of war (April 4, 1917) said,—“We need not disturb ourselves because of what a minority may do. There is always lodged, and always will be, thank God above us, power in the people supreme. * * * It may be suppressed for a time, it may be misled, befooled, silenced. I think, Mr. President, that it is being denied expression now. I think there will come a day when it will have expression. * * * It will be as certain and as inevitable as the return of the tides, and as resistless, too.” He is right. History will say so, and the American people, to-day, know so.

The patriots of plutocracy did not confine their attention to Congressmen. The term “traitor” was flung in the teeth of anyone who opposed the seven league steps that the administration was taking toward war. Radicals who had always opposed war; ministers who had spent their lives in preaching peace on earth; scientists whose work had brought them into contact with the peoples of the whole world; public men who believed that the United States could do greater and better work for democracy by staying out of the war were persecuted as zealously as though they had sided with Protestantism in Catholic Spain under the Inquisition. The plutocracy had declared for war, and woe betide the heedless or willful one who still insisted upon urging the gospel of peace.

The liberal and radical forces of American life—the men and women who had sacrificed, suffered, labored and struggled to make America safe for democracy, were brushed aside by the triumphant patriotic plutocracy. The great plutocrats—Morgan, Rockefeller, Guggenheim, Willard,

Gary, Schwab, Stotesbury,—were the great patriots. All who opposed them were traitors. The plutocracy had always stood and still stands for special privilege in its most vicious form. By a clever move, the plutocrats, wrapped in the flag and proclaiming a crusade to inaugurate democracy in Germany, rallied to their support the professional classes of the United States and millions of the common people.

6. THE SECOND OF APRIL

The “patriots” wanted to ship goods to the Allied governments. Armed neutrality for them meant business opportunity. The “traitors” were those who opposed foreign entanglements and alliances and who used every effort to keep the United States out of the war.

No one knows just how serious was the predicament of the Allies in the spring of 1917. After three years of war, during which they had made the most stupendous preparations and spent unheard of wealth and energy they had proved themselves incapable of driving the Germans out of France and Belgium, and were, in reality, still fighting a defensive war. Their credit was strained to the breaking point, and their resources were at a very low ebb. The food situation in the British Isles was serious. The Russians were temporarily out of the fight. Meanwhile, the submarines were playing havoc with Allied shipping.

The economic position of the United States was also serious. Our export trade which had jumped from two billions in 1913 to seven billions in 1917 was threatened with demolition. The large manufacturing establishments which had been erected for the purpose of supplying munitions to the Allied governments had delivered most of their contracts and were waiting for additional war orders. The banking interests, led by the Morgan firm, had backed the Allies financially. Allied failure, therefore, meant disaster

to American finance. For three years the American plutocracy had enjoyed the benefits of war business, without paying any of the penalties which war entails. These vast profits would cease if the submarine blockade succeeded.

The "great neutral" faced the test of possible commercial disaster. A hundred millions of people in the balance counted as nothing against the menace of economic losses. The President without any authority from Congress armed the merchant ships¹ and gave Bernstorff his papers. The business interests went wild with joy.²

Armed neutrality had proved to be exactly what LaFollette had predicted—a calamitous failure. The President said as much to Congress on the second of April. "Armed neutrality is ineffectual enough at best; * * * it is likely only to produce what it was meant to prevent; it is practically certain to draw us into the war without either the right of the effectiveness of belligerents." The "little group of willful men" had been right and the President wrong, yet in the same speech (April 2) the President insisted that Congress follow him still further and declare the existence of a state of war with Germany.

The Administration, backed almost solidly by the press (which saw within easy reach the war for which it had labored so faithfully) demanded that all members of Congress "stand behind the President." Again a little group of men refused to yield their convictions.

Champ Clark, of Missouri, said on April 25th, "I have made it a rule to always support the President—any Presi-

¹ "The liner *St. Louis*, with two guns forward and one aft, was the first American merchant vessel to carry arms through the "barred" submarine zone; she sailed March 17, 1917." *Current History*, May, 1917, page 221. (N. Y. Times Pub. Co.)

² When the news of the break with Germany was flashed to Wall Street every banking house hung out its flag and "in twenty minutes Wall Street from Trinity Church to South Street was bedecked like on a holiday."—*Finance and Commerce*, February 7, 1917.

dent—when I believe he is right, and on doubtful questions give him the benefit of the doubt. Further than that I will not go, so help me Almighty God! Further than that I cannot go and make good the oath that I took when I was sworn into this House.”

General Isaac R. Sherwood, a veteran of the Civil War, made a final appeal to Congress on the 5th of April in which he reviewed the history of England's attack upon the United States during the Civil War, warned the American people that they were going to war “as an Ally of the only nation in Europe that has always been our enemy and against the nation that has always been our friend.” The President “in the presence of both Houses of Congress, and the Cabinet, and the Supreme Court, and the bespangled Diplomatic Corps, in a spectacular and elaborately staged event wrote a message to Congress and the country, declaring his purpose to enter the world wide conflict in the interests of a world wide democracy. * * * At the distance of 3,500 miles the undesirable and dangerous German Kaiser looks the same to me as the great-grandson of George Third; in fact, all kings look alike to me. I am not willing to vote to send the gallant young manhood of America across the Atlantic Ocean to fight for either. * * * I regard war as the greatest crime of the human race. * * * My experience in the Civil War has saddened all my life. * * * As I love my country, I feel it my sacred duty to keep the stalwart young men of to-day out of a barbarous war 3,500 miles away, in which we have no vital interest.”

There was other opposition equally vigorous and equally well spoken which called down upon the heads of those who uttered it a torrent of the most barbarous abuse from the press, the pulpit, and public men in every walk of life.

On April 6th, with the passage of the resolution declaring the existence of a state of war, the American people found themselves in war, after returning a party to power only five months before because it had “kept us out of war.”

The people were not consulted, their wishes were not considered.¹

No popular referendum on the war was even proposed by the administration. Like the people in the king-ridden countries of Europe, the American people, without any say in the matter were plunged into the conflict.²

Then the leading business men from all parts of the country were brought in to take charge of the government. Some idea of the extent to which the business interests have been placed in control of the United States since the beginning of the war may be gained by an examination of the personnel of the "Council of National Defense" and its advisory committees. The Council consists of six members of the President's Cabinet, assisted by an Advisory Commission and numerous sub-committees. The "Advisory Commission" of the Council (evidently the real working body) consists of four business men,—an educator, a labor leader and a medical man. The four business men, constituting the majority, will have practical charge of directing the expenditure of the billions of dollars that the American people will put into this war.

¹ A number of incomplete referendums were taken. Congressman Lundeen (Minneapolis) sent a referendum card to every one of his constituents. Of the 8,800 who had replied on April 5th, 800 favored a declaration of war and 8,000 opposed it. Partial referendums in other states showed immense majorities against a declaration of war. (See Appendix to Congressman Lundeen's speech, April 5, 1917). It was this situation that led Senator LaFollette to declare (April 4, 1917): "Submit the question (of a declaration of a state of war) to the people, you who support it. You who support it, dare not do it, for you know that by a vote of more than ten to one the American people as a body would register their declaration against it."

² Note that the President said to Congress on April 2nd that the European conflict "was a war determined upon as wars used to be in the old, unhappy days when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of like groups of ambitious men who were accustomed to use their fellow-men as pawns and tools."

Each member of the Advisory Commission has a group of persons co-operating with him. The make-up of these various committees is astounding. Among 706 persons listed, 404 were business men, 200 were professional men, 59 were labor men, 23 were public officials and 20 were miscellaneous. This count, however, includes educational work under Mr. Godfrey, labor standards under Mr. Gompers and medical work under Dr. Martin. The four business men alone are assisted by 312 business men, 4 professional men, 3 public officials and 9 miscellaneous. Not a single labor man appears in this group. Indeed, it is only in Mr. Gompers' group that labor has any representation, and even there, out of 138 persons, only 59 are workers or officials of unions. Thirty-four are business men and 33 professional men, so that even among Mr. Gompers' assistants the business and professional men combined, considerably outnumber the labor men.

The make-up of some of the sub-committees reveals the method by which war expenditures will be controlled. Thus, Mr. Willard's sub-committee on "Express" consists of four vice-presidents, one from the American, one from the Wells-Fargo, one from the Southern and one from the Adams Express Company. His committee on "Locomotives" consists of the vice-president of the Baldwin Locomotive Works, a vice-president of the Porter Locomotive Company, the president of the American Locomotive Company, and the Chairman of the Lima Locomotive Corporation.

Mr. Rosenwald's committee on "Shoe and Leather Industries" consists of eight persons, all of them representing shoe or leather companies. His committee on "Woolen Manufactures" consists of eight representatives of the woolen industry, and his committee on "Supplies" consists of a retired business man, and one representative each from Sears, Roebuck & Company, the Quaker Oats Company and Libby, McNeil & Libby (meat packers).

The same business control appears in Mr. Baruch's com-

mittees. His committee on "Cement" consists of the presidents of four of the leading cement companies, the vice-president of a fifth cement company, and a representative of the Bureau of Standards of Washington. His committee on "Copper" has the names of the presidents of the Anaconda Copper Company, the Calumet & Hecla Mining Company, the United Verde Copper Company and the Utah Copper Company. Mr. Murray M. Guggenheim is a member of the same committee. His committee on "Steel and Steel Products" consists of Elbert H. Gary, chairman of the United States Steel Corporation, Charles M. Schwab, of the Bethlehem Steel Company, A. C. Dinkey, vice-president of the Midvale Steel Company, W. L. King, vice-president of Jones & Loughlin Steel Company and J. A. Burden, president of the Burden Iron Company. The other four members of the committee represent the Republic Iron & Steel Company, the Lackawanna Steel Company, the American Iron & Steel Institute and the Picklands, Mather Company, of Cleveland. Perhaps the most astounding of all the committees is that on "Oil." The Chairman is the President of the Standard Oil Company, and the Secretary of the Committee gives his address as "26 Broadway," the address of the Standard Oil Company. The other nine members of the committee are oil men from various parts of the country. What thinking American would have even suggested, three years ago, that the Standard Oil Company would be officially directing a part of the work of the Federal Government?

Comment is superfluous. Every great industrial enterprise of the United States has secured representation on the committees of business men that have openly taken charge of the United States.

The business interests had played for a great stake. They had played against the well being of the American democracy. The prize they sought was a billion dollars a year in profits. Wrapped in the folds of the flag and uttering resounding declarations of patriotism, on April sixth the

business interests won a victory of terrible import to the American democracy.

7. THE LIBERTY LOAN

As soon as war was declared, the administration undertook to secure,—money, conscription, and censorship. The first and most important of these was money. Congress passed almost immediately the bill authorizing a bond issue of seven billions of dollars.

The Liberty Loan was important to the American bankers who had financed the Allies, because it guaranteed Allied credit. There were other things about it, however, that were even more significant than its assistance in international business. It gave the local business men a chance to do a piece of work of the utmost importance to their own security.

Everybody who was in touch with American public opinion on the sixth of April knew that the war was not popular. People were apathetic, indifferent or actively hostile. There was little display of enthusiasm except among the business men and their immediate adherents. The Liberty Loan gave plutocracy a chance to put in every American home an economic argument (a bond paying $3\frac{1}{2}$ per cent) in favor of standing behind the government.

There was another argument in favor of selling the bonds to the people. Now that the plutocracy were the messengers of democracy in Germany and the incarnation of patriotism in the United States, to gainsay or to question their position was to be a traitor to the Stars and Stripes, which they had taken over as completely as they had previously taken over the steel, coal, iron, wheat, cotton, water power, franchises, banks, railroads and the like. Hence, any employee could be asked by an employer in the name of liberty and democracy to buy a bond.

Some day, when all of the facts are collected, the story of the sale of the Liberty Loan will be told and it will be as hateful, as barbarous, and as brutal as any event since the war contracts of the Spanish American War.

Reflect for a moment upon the situation which the Liberty Loan, handled, as it was, by the business interests created. The owners and managers of stores, banks, manufacturing establishments and other business houses had their subordinates sell bonds to their clerks and wage-earners. Firms subscribed in bulk and then peddled the bonds to their employees, thus getting the credit for buying the bonds without having to pay for them. Employees bought whether they liked it or not. One girl, working as an expert at \$100 a month was approached with the proposition that she buy \$100 worth of bonds. The manager hinted to her that her refusal might cost her job. Being of an independent nature and knowing that the kind of help that she was rendering was scarce at the time, she told her manager frankly that if her job was the price of her subscription to the Liberty Loan he might have her job then and there. Nothing more was said to her on the subject.

Another girl, however, who was working in a department store for \$7 a week "arranged" with her manager to contribute \$2 a week for 25 weeks in order to purchase a Liberty Bond. When the Red Cross campaign was on, a friend found this girl crying and upon inquiring was informed that that week the \$5 which remained of her wage had been "contributed" to the Red Cross fund. She was wondering how she could get to the next week and pay her board and food bills.

A man with a family, sick for three months, had contracted several doctor's bills and was in financial straits. He was advised that it would be wise for him to buy a Liberty Bond. Like the cash girl, he was not in a position where he could talk back. He therefore went farther into debt in order to comply with the "suggestion" of his superior.

The Liberty Loan was probably more effective than any other single weapon in the hands of the business world as a club with which to coerce the workers. Heretofore the employer had run his own business as he pleased, now he was able to go further and tell his workers how they might spend their income.

The plutocracy saw the advantage which would accrue to them from the Liberty Loan. They did not subscribe themselves in any large degree, but they did use every effort to cajole and coerce the common people of the United States into subscribing. The business interests of the United States stood together and worked together more solidly on the Liberty Loan than on any other measure within the memory of the present generation. It was a business proposition and the business crowd put it over.

The Liberty Loan was a signal victory for the plutocracy, and an equally signal defeat for the democracy. It did more to bulwark the position of the plutocratic despots of the United States than it will ever do for liberty in Europe.

The President's speech on April 2nd, and the "war-vote" of Congress on April 6th, plunged the American people into the war. The Liberty Loan saddled the immediate payment for the war upon millions of unwilling common people and yoked up the next generation to a war debt over which they had no control. The war-madness was beginning to yield its bitter fruit.

8. CONSCRIPTION

The second measure of importance to the business world was conscription. The labor problem in America was giving the plutocracy a great deal of trouble. The shortage of workers during the years of war-contract activity had put the laboring people in a position of great strategic advantage which they had used on many occasions to advance wages

and shorten hours. The workers were relatively prosperous and unusually confident. The success of the railway brotherhoods in procuring the Adamson Law had added tone to the labor movement all over the United States. This labor solidarity was dangerous to plutocracy. Conscription would do much to hamper or destroy it.

Conscription possessed another advantage of supreme importance. Experience had shown that great armies and navies could not be raised by the volunteer system in a democracy. If the plutocracy was to put over its plan for a great army and navy behind its aggressive economic campaign into Mexico, Central America and South America, it must have conscription in order to provide the men for the military and naval forces.

When the Conscription Bill was introduced into Congress there was a general feeling through the country that it could not pass. Even the press hesitated, so un-American was this Bill, which clearly violated the spirit of the constitution and the traditions of American life.¹

Then courage was supplied to the press from somewhere, and the newspapers and magazines of the country went to work with a will. They apologized, explained and insisted. Six weeks after war was declared the bill had passed Congress. Within two months, more than nine million young men had been "selected for service."

The Conscription Bill paved the way for a military system exactly like that which had been so savagely denounced in Germany. It gave the American plutocracy the beginnings of a big, cheap army. It disposed of the uncertainties of

¹ Daniel Webster said in the House of Representatives, December 9, 1814,—“If the Secretary of War has proved the right of Congress to enact a law enforcing a draft of men out of the militia into the regular army, he will at the same time be able to prove quite as clearly that Congress has power to create a dictator. The arguments which have helped him in one case will equally help him in the other.”

volunteering and provided the possibility of military education for every young American. At the same time the way was opened for the imposition of universal service, which was all that Prussia has ever demanded in the balmiest days of her militarism. Then, too, a beginning was made toward industrial conscription, and the possibility was opened for the importation of coolie and peon labor,¹ things which were not even thinkable in peace days. America, after two months of war, had inaugurated what some one has called "the golden age of the drill sergeant," and fastened upon the United States the rudiments of European militarism in its most barbarous aspects.

Business rejoiced again. The *Chicago Tribune* on June 6th (the day following registration), headed one of its market reports,—*"Draft Success Puts New Life in New York Market. Industrials Leaders in Upward Trend. Year's Best Prices Reached."* The plutocracy had scored another victory which was immediately recorded in the climbing prices of stocks and bonds—and ten million young men were in the grip of American militarism.

The fruits of the war-madness were ripening. The plutocracy trembled with joy. The people shrank back—surprised, terrified.

9. CENSORSHIP

"The United States has been suffering from an over-dose of democracy" insists one ardent supporter of the plutocracy. The censorship bill was designed to remedy this deplorable situation by sweeping aside personal liberty. The declaration of war was a slap in the face of democracy,—the cen-

¹ The Committee on Public Information (Censorship Committee) issued a statement (May 28, 1917) in which they listed as "Dangerous Matter" (page 11) "news of possible or obscured movements of alien labor through the territory of the U. S. or their arrival at or embarkation from any of our ports."

sorship bill bandaged its eyes, plugged its ears and gagged its mouth.

The censorship bill, in its original form, was so drastic and far-reaching that even the newspapers denounced it. So general was the opposition that after weeks of fighting, the bill was approved by the Président on June 15th in such a modified form that there was no direct reference to freedom of speech and of the press. But tucked away in an obscure corner of Section 481½ was an amendment to the Postal Laws which reads,—“Every letter, writing, circular, postal card, picture, print, engraving, photograph, newspaper, pamphlet, book, or other publication, matter or thing of any kind containing any matter which is intended to obstruct the recruiting or enlistment service of the United States is hereby declared to be non-mailable.”

Under this section each one of the 123,387 United States postmasters is made a censor with authority (subject to the reversal of his superiors) to exclude from the mails anything that in his judgment will “obstruct the recruiting or enlistment service.” The Federal authorities were not slow in availing themselves of this immense power. The Cleveland (Ohio) *Socialist*, the Detroit (Mich.) *Socialist*, the *Rebel* of Texas, the *International Socialist Review*, the *American Socialist*, the *Masses* and other radical publications were promptly denied the use of the mails. The *American Socialist* (Chicago) had planned a “Liberty Edition” for June 30th. The entire edition and two other editions were held up by the Chicago postmaster acting under instructions from Washington. Other papers were temporarily suspended.

A storm of protest broke over the country. Within the memory of the oldest inhabitant there had been no such deliberate violation of the freedom of the press which is guaranteed by the First Amendment to the Constitution. The Federal Administration had not shot its bolt, however. These suppressed papers had not appeared “regularly” and

they had contained "non-mailable" matter—both violations of the postal laws. The editors of the papers were, therefore, cited to appear at Washington (July 23, 1917) and show cause why their papers should not be denied second class mailing privileges—which mean denial of the use of the mails. What more complete power was ever lodged in the hands of a European despot and when was it more scandalously exercised?

The *Texas Rebel*, an organ of the Farmers and Laborers Protective Association, was held up by the following order to the local postmaster, from W. H. Lamar, Solicitor General of the Postal Department at Washington,—“submit to this office further copies of *The Rebel*, published at your place, for instructions, before accepting for mailing.”

The *Public* (New York) remarked in this connection,—“This is even worse than the late Russian Censorship. The Russian Censor would but black out the passage in the paper to which he took exception and let the rest go. But the postal censorship would hold up a whole issue.”

If any further evidence is necessary to prove the deliberate intent of the Federal Administration to throttle American liberty, it will be found in the refusal of passports to the three Socialist delegates to the Stockholm Conference, and by the treatment given to the suffragists in Washington during June and July, 1917.

While the Federal authorities were engaged in this vigorous campaign to throttle American liberty, local and state officials were equally busy denying the right of free speech and free assemblage. Halls were closed, street speaking was prohibited, the headquarters of socialist and I. W. W. locals were raided by the soldiers and police. Those who criticised the authorities were denounced as traitors. The mere mention of “peace” was infamous.

The President, early in May, declared emphatically for

the maintenance of civil liberties. He said,¹—"The letter signed by yourself and others under date of April 16 has, of course, chimed in with my own feelings and sentiments. I do not know what steps it will be practicable to take in the immediate future to safeguard the things which, I agree with you in thinking, ought in any circumstances be safeguarded, but you may be sure I have the matter in mind and will act, I hope, at the right time in the spirit of suggestion."

The letter to which the President made his reply, had stated, in part,—“Even by this time we have seen evidence of the breaking down of immemorial rights and privileges. Halls have been refused for public discussion; meetings have been broken up; speakers have been arrested and censorship exercised, not to prevent the transmission of information to enemy countries, but to prevent the free discussion by American citizens of our own problems and policies. As we go on, the inevitable psychology of war will manifest itself with increasing danger, not only to individuals, but to our cherished institutions.

“What we ask of you, Mr. President, * * * is to make an impressive statement that will reach not only the officials of the federal government scattered throughout the union, but the officials of the several states and of the cities, towns and villages of the country, reminding them of the peculiar obligation devolving upon all Americans in this war to uphold in every way our constitutional rights and liberties. * * * Such a statement sent throughout the country would reinforce your declaration that this is a war for democracy and liberty.”

These letters were written *early in May*, but throughout that month and through the succeeding months the denial of free speech and free assemblage continued; the postal censorship laid its heavy fist on the free press; and sailors and

¹ *The Survey*, May 12, 1917, page 144.

soldiers wearing the uniform of the United States were permitted and in some cases encouraged to disturb and break up meetings of a radical character. During all of that time there was no official utterance from the President on the subject.

The first outrage by men in uniform was committed in Baltimore, when they broke up a peaceable assemblage. Their activities were given full vent in New York where the citizens finally succeeded in securing from the Police Commissioner a promise of protection against the soldiers.

The conduct of the men in uniform went to such lengths that the New York *Evening Post* characterized it as a scandal in an editorial of June 16th,—“Last night soldiers raided several perfectly lawful and law-abiding meetings. For instance, the *Tribune* reports that ‘bayonets were brought into play by members of the Eighth Coast Defence command who mounted guard at a meeting of the People’s Council, held in Arlington Hall, St. Mark’s Place, New York. The speeches at this meeting were mild and inoffensive, the hall was draped with American flags, and many in the audience wore tri-colors in their lapels.’ Yet without warrant of law these soldiers took charge of the meeting, arrested twenty-five men whom they claimed as violators of the Registration Law, and generally ran things to suit themselves. This is nothing short of a scandal.”

The most flagrant invasion of civil liberty was staged in Boston on Sunday, July 1st. The workers had decided to hold a parade, followed by a mass-meeting on Boston Common. Permits were secured for both events. The incidents of the afternoon are thus described by the New York *Times* (July 2nd):

“Half a hundred men in the uniform of Naval Reservists, National Guardsmen, Marines and Canadian ‘Kilties’ who had watched the formation of the parade, marched across the common in a double column and intercepted the

procession at the corner of West and Tremont Streets, and again at the corner of Winter and Tremont Streets. In both instances the contact resulted in a street fight. Blows were exchanged, and flags were snatched from the hands of the marchers, while women in the line screamed in fright.

"At Scolley Square there was a similar scene. The American flag at the head of the line was seized by the attacking party, and the band, which had been playing "The Marseillaise" with some interruption, was forced to play "The Star Spangled Banner," while cheers were given for the flag.

"The police had just succeeded in quieting this disturbance when the reserves were called out to quell a near riot at the meeting place on the Common. The first of the peace speakers had barely begun his remarks when the reserves arrived. They formed a circle in the crowd, with the police wagon as a center, in front of the speakers' stand, but in spite of their presence there were scores of individual fights in the big gathering. To restore quiet Supt. Crowley, as Acting Police Commissioner, revoked the permit for the speaking and the meeting was called off.

"Meanwhile the Socialist headquarters in Park Square had been ransacked, and its contents destroyed in a bonfire. The American flag taken from the paraders was placed over a statue of 'Lincoln the Emancipator' near the scene of the bonfire."

The plutocracy had been trying, for years, to hush up agitation and to suppress radicalism. Muck-rakers, the "labor agitator," socialists, the I. W. W.'s, "anarchists," and other opponents of things as they are were denounced, clubbed, jailed and shot, but the agitation grew through persecution. Despite the ownership of the jobs and the control of the government, despite company stores and company guards, despite its grip on the press, the pulpit and the school, the plutocracy was unable to prevent this agitation.

There were Colorado and Paterson, speaking the unmistakable language of a coming revolution.

The war brought the harvest time. Radicals of every stamp who opposed it—and practically all radicals did oppose and denounce it—were “traitors” against whom the fury of the war-madness might legitimately be directed.

10. SPREADING AMERICANISM WITH THE SWORD

A short two years sufficed to enable the business interests of the United States to take charge of the country. They had previously secured the natural resources, the manufacturing industries, the credit machinery, the public utilities and the merchandising establishments. This economic power, together with the control of the channels of public opinion and of the machinery of politics enabled them overnight, in the history of American affairs, to put across their program and prepare to “crush Germany.”

President Wilson said very frankly that it was not the German people against whom we were making war. He insisted that our purpose was to overthrow the German autocracy.

The British capitalists had been franker. They had talked openly about the “war after the war.” They had even gone so far as to hold a conference at Paris, in which they had discussed the best methods of overthrowing German industry. As Frank Harris puts it in his book, “England or Germany” (page 21), “Great Britain had taken up arms to crush a successful trade rival, and for no other reason. As soon as war was declared, *The Times* and *Daily Mail* and many other London papers threw off the mask and published column after column showing how this, that and the other department of trade could now be taken from the Germans.”

Why did the American plutocracy desire to crush Germany? Was it to destroy despotism there? The idea is preposterous. The despotism in any bank, factory or railroad of the United States is more complete than that of the Kaiser. The American plutocracy has fattened on despotism for generations.

The American plutocracy was no more interested in establishing democracy in Germany than they were in establishing democracy in the United States. They did want to see German industry crushed, however, and since the Kaiser and his group represented German business in its most highly developed form, the Kaiser was the object of their wrath.

The President stated the issue in quite another form, but no matter what he may say, he cannot escape the fact that the plutocracy of the United States was behind him in a body. The plutocrats are no man's fools. They know what they want and they are after it, hot-foot.

The President decided that the best way to "make the world safe for democracy" was to abandon America's traditional policy of isolation; to form an alliance with six democracies and seven monarchies; to mobilize the resources of the country, and to enter the world war as an active belligerent.

"Our object is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power. * * * We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their government acted in entering the war. * * * It was a war determined upon as wars used to be determined upon in the old, unhappy days when people were nowhere consulted by their rulers. * * * The world must be made safe for democracy," said President Wilson to Congress on April 2, 1917. Thereupon, without consulting the American

people, or Congress either,¹ the President pushed the United States into war in an alliance with three of the leading monarchies, including one of the most complete autocracies (Japan) of the world.

"We now chart a new national course," said Congressman Ernest Lundeen (April 5, 1917). "In terms of autocracy we declare our intention to bestride the world with democracy. Our fixed determination is to thrust democracy with loving bayonets down the throats of unwilling peoples.

"Let us look at the company we will keep in performing this benevolent function. We will be marching side by side with the King of Serbia; the King of Italy is our boon companion; the King of Belgium is there; so also the King of Roumania; the Emperor of India and the King of England, our stalwart brother; not to mention the King of Montenegro and various other principalities and rulers, as well as chaotic Russia—only France is a Republic—and last but not least we are to be brothers in blood with our dear friend the Emperor of Japan. And this our Chief Executive proposes as our 'league of honor.'"

The forefront of this alliance to make the world safe for democracy is England—"a hereditary monarchy, with a hereditary ruler, with a hereditary House of Lords, with a hereditary landed system, with a limited and restricted suffrage for one class and a multiple suffrage power for another, and with grinding industrial conditions for all the wage earners,"²—England, in which "there will never be the ghost of freedom till there is a social revolution,"³—England, "the real enemy of civilization, for more than a

¹ Later in the same speech, assuming that the war he was asking for was as good as declared, the President said,—“We enter this war only where we are clearly forced into it because there are no other means of defending our rights.”

² Senator LaFollette in the Senate, April 4, 1917.

³ “England or Germany,” Frank Harris, page 56.

hundred years now the chief obstacle to the humanization of man."¹

Do you now understand why Senator LaFollette uttered his indignant question,—“Shall we wind up our future with foreign powers, and hazard the peace of this nation for all time, by linking the destiny of the American democracy with the ever-menacing antagonism of foreign monarchies?”²

Remember the words of David Lloyd George, Prime Minister of England,—“Peace before a victory would be the greatest disaster in the history of mankind. * * * America had always been freedom’s mainstay. She has never made war except for freedom. Now she is sending her valiant soldiers to the battle field to fight around liberty’s standard.” Then these astounding words,—“Britannia will rule the waves after the war.”³ America will fight for liberty and when the fight is won,—“Britannia will rule!”

The tradition of American statesmanship had been a mind-your-own-business policy. Washington, after a bitter war with England,—the war for American Independence, wrote in his farewell address: “Against the insidious wiles of foreign influence I conjure you, to believe me, fellow citizens, the jealousies of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government.” To-day the United States is united hand and glove with the very monarchy against which Washington and those who stood with him waged their war of Independence. We are pledged to supply them with “the most liberal financial credit,” to “help them in every other way” and if necessary to “spend the whole force of the nation” (quoted from the President’s Address to Congress, April 2, 1917). And to what end? David Lloyd George has answered,—“Britannia will rule the waves after the war.”

¹ “England or Germany,” Frank Harris, page 98.

² “America’s War-Madness,” *Pearson’s*, May, 1917, page 454.

³ Press reports of a speech in Glasgow, June 29, 1917.

The American people, whose chief objection to Germany in 1914 was that she might try to impose her civilization upon the United States with the sword, is busy organizing, expending fabulous sums of money, training soldiers, constructing ships, with the avowed intention of attacking Germany in order to impose their civilization with the sword. There was some excuse for Germany. She was in the grip of despotism and despotism may be propagated by the sword. Indeed, a despot has no other weapon. The American people, however, had boasted that they possessed a democracy, which is built upon the idea of universal brotherhood,—a democracy which they now proposed to shoot into the Central Monarchies.

By July, 1917, the billboard enlistment campaign was couched in such words as "The regulars are in France, join them now." "Enlist immediately so as to fight on German and not on United States soil." The German autocracy was on the defensive; the American plutocracy had become the aggressor. The regular army had already been transported four thousand miles and a conscript army of a million men was in process of formation to wage an aggressive war in the interests of the British ruling classes.¹

Step by step the plutocracy advanced. Point by point they established their position—war bonds, conscription, censorship and a war to crush German industry. Meanwhile they were able to come out into the open and take possession of the government through the subcommittees of the Council of National Defense.

And the American people stood for it. Emotionalized, dazed, stupefied, and blinded by the great madness that

¹ This in the face of overwhelming evidence of its unconstitutionality. See the excellent speech on the subject by Congressman Wm. E. Mason, July 19, 1917, in which he said,—“Under our Constitution Congress has no power to call the militia of the United States or the militia of its several states by conscription or otherwise and order them into service outside the United States.”

possessed their souls, nearly a hundred millions of people cast aside their most cherished principles, sacrificed their hard-won liberties, and began spreading brotherhood and democracy with the sword.

11. ROOT AND BALFOUR

When it was all over they got together and told one another about it—the tories from Lombard Street and from Wall Street, the representatives of the great vested special privileges of England and the United States. Arthur J. Balfour headed the mission from the Court of St. James to Washington. Arthur J. Balfour, who as Secretary for Ireland had ridden the Irish people like a nightmare, restricting their liberties and denying them justice in his best diplomatic style. Arthur J. Balfour, who had waged the iniquitous war which the business men of England directed against the little Boer republics of South Africa. Arthur J. Balfour, the tory, and Lord Northcliffe, "the most powerful man in England," and the representative of the most powerful business group in England, brought the message from English monarchy to American plutocracy, while we sent Elihu Root as our emissary to the newly constituted democracy of Russia.

Elihu Root for a generation had been regarded as the arch-tory of the United States,—a man well-trained in diplomacy, with a long experience in governmental affairs, a lawyer of the highest repute whose whole professional talent had been put at the disposal of the great industrial enterprises with their activities centered in Wall Street,—Elihu Root, who had fought against woman suffrage, who had opposed the Oklahoma Constitution because it was too democratic, who had tried to return political prisoners to the Russian Czar, who had drafted a constitution for the state of New York and seen it rejected by a popular majority of over half a million,—Elihu Root was sent to the

democracy of Russia to warn them not to go too far in the direction of their democratic ambitions and ideals!

Nowhere in the long series of events which led America into the world conflict did the forces appear so clearly on the surface. Arthur J. Balfour, Lord Northcliffe, and Elihu Root,—Monarchical England and plutocratic America, fraternizing to make the world safe and sure for the business oligarchy!

12. THE PEOPLE AWAKE!

The plutocracy had won everything for which it had been fighting—immunity, power, wealth. The people were war-mad,—at least, there was enough of the war madness in the country to enable the vested interests to put across anything that they wanted.

Three years of ceaseless effort on the part of the press, the pulpit, the school, the screen and the stage had sufficed to infuse millions of Americans with the mob fear and mob hate that are the warp and woof of war-madness. The carefully planned, brilliantly executed scheme of advertising preparedness, patriotism and war, had left a great section of the American people incapable of reasoning or understanding. On April 2nd there were millions who had been worried, harried, and emotionalized through the successive stages of fear, resentfulness, bitterness, hatred and frenzy until they were sufficiently ferocious to be willing to use the knife.

The plutocrats won immunity, power and wealth, measured in seven figures. They won more. First, they secured the big navy and army for which they had worked so faithfully,—an army to menace neighbors and to preserve peace at home during the deluge of misery that will follow the bursting cloud of war-values and war-prices; a navy to

guard the hundreds of millions that they have invested in "undeveloped" countries; and seven billions of dollars to be spent at once—much of it on war contracts, which afford proverbially fat pickings.

Again they had won conscription—the right to send a million Americans into the trenches of France to fight for the poor Belgians, for Lombard Street, Wall Street and King George of England.

They had established a spirit that permitted children to go back into factories from which years of incessant labor had rescued them; women to take men's jobs at a fraction of the wage, and the standards surrounding the labor of men to be lowered.

The plutocrats won another point—a point desired by every despot—they won the right to impose restrictions upon the freedom of speech, of press and assemblage, which are the foundation of democracy. The plutocracy bought the press, subsidized the pulpit, placed their representatives in control of the schools, and by the use of the police and postal censorship they restricted individual liberty.

Beside and beyond this economic, political and social power, the plutocracy had millions of deluded people in its grip—incapable of thinking because of the fearful war madness that possessed their souls.

Business had won!

Special Privilege had taken every trick in this frightful war-game.

The plutocracy had made its point and lost its life.

They are knowing—these mighty ones—in the affairs of the world, but in the things of the spirit they are like children. Knowledge they possess, but little wisdom. They do not understand the human soul. They underestimate the power of the ideal. They overlook the great longing—the terrible yearning—of the human heart, for truth and jus-

tice, liberty and joy and peace. Like all despots they imagine that they can settle matters with the policeman's club, the jail and the bayonet.

The absurdity of it! The monstrous presumption!

They tore up the Declaration of Independence under the noses of the people, and threw the fragments of the Constitution into their faces, imagining, meanwhile, that because nothing happened at once, they had got away with it. The ignorant ones! They believed that when the press sung "all is well" that the people would take up the refrain, "all is well!"

They aroused the people, agitating and irritating them, until they were frantic, repeating, meanwhile, the blatant lie that the real enemy of American liberty lived in Berlin. Then they stung them with high prices, filched their liberty, plunged them into war, took a million of their brothers and husbands and sons to wage a war of aggression on the battlefields of king-ridden Europe, and because nothing happened at once, they believe that they had won. They had won—victory and death.

The plutocracy and the democracy cannot exist side by side. If the plutocracy wins, dollars rule; if the democracy wins, people rule. There can be no alternative and no compromise. During the past three years of struggle, the democracy has lost every move. The power of the plutocracy has been strengthened immeasurably.

The people of the United States woke up in 1917 to find themselves at war; subject to conscription; their liberties gone, and the business interests in control. At first they were puzzled—almost frightened. Then they began to understand.

To-day, in all parts of the United States, they are banding themselves together, politically and industrially. They are organizing. They propose to make the world safe for democracy.

Their struggle must begin in the United States. No part of the world is in greater need of their effort.

The work of the people is cut out for them—cut out in all its stupendous importance. They must:—

1. Continue to meet regularly and systematically for the discussion of vital questions.
2. Publish a paper in every city that will be owned by the people and will represent them.
3. Capture the schools. The school system is the greatest single asset now in the hands of the plutocracy.
4. Establish industrial and political solidarity.
5. Educate! Educate!! Everywhere and upon every possible occasion in home, shop, street car, meeting hall.
6. Take all profit out of industry.
7. Guarantee and maintain equal opportunity and justice for all.

Those steps taken, this end achieved, and a beginning will have been made for a safe democracy in the United States and an example of immense importance will have been set for the world.

The people are learning. The events of the past few months are teaching them with lightning-like rapidity. They are filled with the bitterness and hate which the press and the pulpit has planted there; it is only a question of time before they discover their real enemies in New York and Washington—and then the “victory” of the American plutocracy will be turned into a sweeping triumph for the common people of the United States.

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CONTENTS

- I. Labor—the Plain People.
- II. What is the League of Nations?
- III. Who Made the “Covenant?”
- IV. An Organization of Capitalist Empires.
- V. A League of Robber Nations.
- VI. The League Will Not Prevent War.
- VII. Will the League Benefit Labor?
- VIII. Only Labor Can Benefit Labor.



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LABOR AND THE LEAGUE OF NATIONS

I

LABOR—THE PLAIN PEOPLE.

Those who work have always constituted a majority of the people in any organized society. To-day, nine-tenths of the adult population is employed at some productive or useful occupation.

Editors and public men use the term "middle class" as though the members of this class constituted a majority or at least a very large minority of the American population. Nothing could be farther from the truth. The middle class in any modern nation is but a tiny fraction of the whole.

The latest detailed figures published by the United States Commissioner of Internal Revenue (1916) show that while the total population of the United States was about 102 millions, less than half a million individuals paid income taxes. The minimum at that time was \$3,000 for single individuals and \$4,000 for persons with dependants. The total number who declared incomes in excess of these amounts was 429,401 or less than one in 200 of the entire population. Of these, 157,149 declared incomes of less than \$5,000 and only 121,691 declared incomes of \$10,000 and over. There were, of course, a number of farmers whose incomes "in kind" were not included in the returns. There were, doubtless, individuals who dodged the income tax. The figures, however, show what a tiny minority of the American people receive incomes that could be called "middle class."

The same fact appears from a study of the "Statistics of Occupation" published in connection with the United States Census. These figures show that in an ordinary industrial city the druggists, undertakers, grocers, butchers, manufacturers, corporation officials, superintendents, managers, lawyers, doctors, school teachers, dentists and all other members of the professional and business classes do not make up over one-sixth of the total number of gainfully occupied persons. In many cases they constitute less than one-eighth of the total.

This one-sixth or one-eighth, which, as a matter of occupation, might be classed as "middle class," is not necessarily middle class when it comes to income. Many of the small tradesmen earn less than the going rate of day wages. Many lawyers and teachers are in the same predicament. A fact which accounts for the difference in proportion between the middle class as shown in occupational statistics, and the middle class as shown in income figures. Even when the entire business and professional group is lumped together, however, without any reference to income, it makes a very small part of the total population.

The vast majority of people, who do not make income tax returns; the wage earners and clerks who are not included in the business and professional class; the farm laborers, the tenant farmers and many farm owners make up the body of what is sometimes called the "plain people." Most of these plain people work for their living as wage earners.

The relation which has grown up in modern industry between officials and wage-workers is startling. The latest report of the United States Census dealing with the manufacturing industries (1914, page 427) shows that the total number of persons engaged in manufacturing was 8,263,153. Of this number only 61 in 1,000 were proprietors and officials; the clerks and other subordinate salaried employees made up 88 in each 1,000; the wage earners, 851. Thus 17/20 of those engaged in the manufacturing industries in

the United States are wage earners, and 19/20 are wage earners and clerks.

The facts are brought out even more emphatically by an examination of particular industries. In the cotton goods industry and similar highly concentrated industries, the wage earners make up over 95 per cent. and the wage earners and clerks over 98 per cent. of the total number of occupied persons. The latest figures for the railroad industry are as follows: General officers, 5,740; other officers, 11,153; office clerks, 87,106; total employees, 1,710,296. Here general officers are about 3 in 1,000 and general and minor officers 10 in 1,000, or 1 per cent. of the whole. Wage earners and clerks make up the other 99 per cent.

The census figures show 12,659,000 persons occupied in agricultural pursuits. Of this number over half are hired laborers. Of the remainder the vast majority are working farmers.

The United States is made up of people who work as wage earners or farmers. The overwhelming majority of the population falls into this class. The plain people of the United States are the working people. Any matter, therefore, of national or international importance must, in the final analysis, rest back upon this question,—Will it benefit labor?

The League of Nations has been suggested as a remedy for the critical situation in which the world finds itself to-day. Every thinking person, interested in the greatest good for the greatest number, must ask,—Will the League of Nations benefit labor?

II

WHAT IS THE LEAGUE OF NATIONS?

The League of Nations; according to the "Covenant" published on April 28, 1919, and adopted unanimously by the Peace Conference, is an organization of 32 nations, in which 13 other nations are invited to membership.

The organization of the League is simple. There is, first of all, an Assembly, consisting of not more than 3 delegates from each nation which is a member of the League. This would mean, at the present time, an Assembly of 96 delegates. The Constitution states that the "Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world." (Art. III.) The Covenant, however, gives no real power to the Assembly, which is merely a "paper" legislature.

The real power in the League of Nations is vested in an Executive Council of 9 members. "The Council shall consist of representatives of the United States of America, of the British Empire, of France, of Italy and of Japan, together with representatives of 4 other members of the League." (Art. IV.) These 4 members are to be selected by the Assembly. "With the approval of the majority of the Assembly, the Council may name additional members of the League whose representatives shall always be members of the Council." (Art. IV.) The Council is required to meet at least once a year. At these meetings it may deal "with any matter within the sphere of action of the League or affecting the peace of the world." (Art. IV.) These are the same words which are used in Article III with reference to the Assembly.

The Council is empowered to elect the Secretary-General with the approval of the majority of the Assembly.

This is the basic machinery of the League. An Assembly of, say 100 members without important powers; an Executive Council of 9 members, 5 of whom must always come from the "Big Five" Allied nations, and a Secretary-General elected by the Executive Council. All real power is vested in the Executive Council.

The League Constitution (Art. V) makes it virtually impossible for even the Executive Council to take any important step without the unanimous consent of all important members of the League. "De-

cisions at any meeting of the Assembly or of the Council shall require the agreement of all the members of the League represented at the meeting." Under this provision any one nation with a representative on the Executive Council could block every vital League activity.

The Constitution contains three main provisions and several minor ones. The three chief provisions are concerned with armaments, war and colonies.

The article dealing with armaments (Art. VIII) begins with a statement that "the maintenance of a peace requires the reduction of national armaments to the lowest point consistent with the national safety." Therefore, "the Council . . . shall formulate plans for such reduction for the consideration and action of the several Governments." In other words, any provision regarding armament reduction must be ratified by the nations in question before they become effective. In case a new member desires to enter the League it "shall accept such regulations as may be prescribed by the League in regard to its military and naval forces and armaments." (Art. I.)

The initiators of the League reserve to themselves the right to retain their own armaments and at the same time the League as a body is in a position to limit the armaments of any new members admitted. Under these circumstances it is interesting to note that neither Germany, Austria, Hungary, the Ukraine, Mexico, Finland, nor Russia is on the list of states which are to be invited to accept the Covenant in its present form. These states, when applying for membership in the League, would have their armaments limited at the discretion of the League and without any necessary relation to the armaments of League members.

The League Covenant is concerned chiefly with war. Its preamble opens with the words, "In order to promote international co-operation and to achieve international peace and security." Sections XI to XVII deal exclusively with the problem of war. Section

XI begins as follows: "Any war or threat of war, whether immediately affecting any of the members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations." "The members of the League agree (Article XII) that if there should arise between them any dispute likely to lead to a rupture they will submit the matter either to arbitration or an inquiry by the Council." There is a further provision in Article XIII that in case of a dispute between members of the League "which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration."

The next article (XIV) provides for a permanent court of international justice. This court "shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly."

Should any nation violate its pledges with regard to war, under Article XVI it will be deemed "to have committed an act of war against all other members of the League." Thereupon the other members agree to subject the offending nation to an economic, commercial and financial boycott, and "the Council in such case to recommend to the several governments concerned what effective military or naval forces the members of the League shall severally contribute" to the armaments needed by the League.

All of the "war" provisions of the Covenant deal rather with the regulation than the prevention of war.

Nowhere among these vitally important sections is there any provision that will give the League effective power. The League has no army. The League has no navy. The League is without a treasury. Nations are to submit to arbitration questions which they

recognize as suitable. The international court has power in all disputes which the parties submit to it. The League Council is to enforce decisions by recommending that nations provide certain military and naval forces. The organization lacks backbone, vitality, unity and executive authority.

The third important provision of the Covenant relates to colonies and dependencies. During the war there was a great deal of talk of self-determination. In the League Covenant the word is neither mentioned nor hinted at. Each of the Allied nations keeps its own colonies and dependencies without let or hindrance. With respect to enemy possessions, however, Article XXII provides that their well-being and development shall "form a sacred trust of civilization" and that the tutelage of such people shall be entrusted to advanced nations which "can best undertake this responsibility, and who are willing to accept it." In certain cases, however, where the possession in question "can be best administered under the laws of the mandatory as integral portions of its territory," the mandatory nation is permitted to absorb the mandatee.

Like cargoes of silk and spices, like so much brick and mortar, like chattels in the world's markets, the tens of millions of people inhabiting the German colonies and the Turkish possessions are thus distributed among the Allied nations without being permitted a word in the decision of their own fate.

"Open Covenants of peace openly arrived at" was included by President Wilson in the first of his 14 points. Article XVIII, dealing with treaties, provides that "every convention or international engagement entered into henceforward by any member of the League shall be forthwith registered with the Secretariat, and shall, as soon as possible, be published by it." Treaties are to be made, registered and then "opened" to the world.

The Covenant contains two obscure references to labor. Article XXIII states that "the members of

the League will endeavor to secure and maintain fair and humane conditions of labor for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend." Later, in the same article, there occurs this extraordinary language, "the members of the League will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs." There is no indication as to what "traffic in women and children" is contemplated.

The League Covenant is practically unamendable. Section XXVI provides that amendments are to take effect "when ratified by the members of the League whose representatives compose the Council and by a majority of the members of the League whose representatives compose the Assembly." This means approval by the Governments of the "Big Five," of the four other nations represented in the Council and of enough additional nations to give a majority in the Assembly.

The League of Nations as proposed in this Covenant consists of a political arrangement between the Allied and certain neutral nations. The document contains no important economic provisions. The machinery is intensely undemocratic. Under the Covenant as drawn, every member of the Assembly and of the Executive Council may be appointed by the Premiers of the nations involved. Not only is there no provision for the general election of delegates, but there is no provision for recall or for the responsibility of the delegates to the people of their respective countries. Furthermore, the five nations with the big armies and the big navies always select five out of nine members of the Council and thus may always direct the affairs of the League. In addition, any one nation by veto may hold up any single important League decision.

The organization of the League is undemocratic.

Its machinery is impotent. The Council is vested with authority but it has no real power. The League is little more than a voluntary association of Governments—a treaty more general than those which have proved so ineffective in the past.

III

WHO MADE THE "COVENANT"?

So much for the text of the League Covenant.

Who wrote it?

The League Covenant was originally written behind closed doors by a commission of the Peace Conference. It was amended in the same manner. Eventually, it was adopted without alteration or amendment by the entire Conference.

The Peace Conference is an extraordinary gathering,—one of the most extraordinary in the history of international negotiations. Five nations have organized and dominated the entire Conference. These nations are: Great Britain, France, Italy, Japan and the United States. The decision of the "Big Five" to run the entire conference was announced on January 20th, 1919, when the rules of the conference were published. Rule 1 read as follows:

"The belligerent powers with general interests—the United States of America, the British Empire, France, Italy and Japan—shall take part in all meetings and commissions. The belligerent powers with particular interests—Belgium, Brazil, the British Dominions . . . shall take part in the sittings at which questions concerning them are discussed."

What was the meaning of the phrases, "general interests" when applied to the "Big Five," and "particular interests," when applied to Belgium, Brazil, the British Dominions, etc.? The answer is plain. The five nations with the big armies and the

big navies had "general interests," and the other nations, irrespective of their relation to the war, had "special interests." Belgium has suffered irretrievably; Japan has suffered not at all, and yet Japan is represented at all of the sessions, and Belgium only when she is invited.

Such was the spirit behind the organization of the Conference. A big army and a big navy was made the price of admission to the inner circle. The centre of organized might had shifted from Berlin to Paris.

The delegates to the Conference were appointed by their respective governments. Not one member was elected by the people whom he purported to represent. The Peace Conference was a conference of representatives chosen by governments—not by peoples.

This fact is clearly reflected in the names and positions of the conferees. The war was fought presumably for democracy and liberty, yet three of the "Big Five" are monarchies and only two are republics. The representatives of these monarchies were counts, dukes and barons. England sent Bonar Law and Balfour; Italy sent Sonnino and Orlando; Japan sent one marquis, one count and three barons.

The names of the Peace conferees are not the names of the well-known champions of democracy. On the contrary, they are the names of the men who have been playing the vicious game of back-stairs European diplomacy for a generation. Among them are the same men who signed arbitration treaties and broke them; who established the Hague Tribunal, and ignored it, and who finally drew up the infamous "secret treaties," under which they agreed for a price upon the conditions of war and bloodshed.

France in her secret understanding prescribed:—

1. "Alsace and Lorraine to be returned to France.
2. "The boundaries will be extended at least to the limits of the former principality of Lorraine and will be fixed under the direction of the French Govern-

ment. At the same time strategic demands must be taken into consideration, so as to include within the French territory the whole of the industrial iron basin of Lorraine, and the whole of the industrial coal basin of the Valley of the Saar."

Alsace and Lorraine are thus re-christened Iron and Coal.

Italy made a bargain under which the Allies agreed to give her Trentino and the entire Southern Tyrol; the province of Dalmatia; "her right to receive on the division of Turkey an equal share with France, Great Britain and Russia in the basin of the Mediterranean," and a share in the division of Africa. In addition (Article XIV), "England obligates herself to assist Italy immediately to negotiate on the London market on advantageous terms of a loan in a sum not less than 50,000,000 pounds sterling"—whereupon Italy entered the war.

Similar treaties were drawn up between Russia and Japan with regard to the partition of spheres of influence in China.

The statesmen, who brought Europe to the verge of chaos, who were the leaders in guiding civilization to the precipice, sat down at Paris and drew up the Covenant for the League of Nations. The empires which have been contending for the world's mastery, the governments partially responsible for precipitating the world war, are, many of them, the powers in the League of Nations.

IV

AN ORGANIZATION OF CAPITALIST EMPIRES

A peculiar method of production prevails in the modern world. A few people own the mines, mills, factories, banks and railroads. The masses of the people depend for their livelihood upon the resources and machines in the hands of the few.

The few who own the machinery of production likewise own the product. The worker in a steel mill does not own the rail that he turns out, nor does the worker in a shoe factory own the leather which he is fashioning into shoes.

The surplus of production goes to the owner of the productive machinery. The worker receives, in the form of wages, a part of the product which he creates. The remainder, in the form of interest, dividends, rents and profits, is paid to the owning class.

The system under which one class in the community owns the capital, the product and the surplus, while another class works with the capital to create the product and the surplus, is called Capitalism. It is the system universally accepted in the industrial life of Great Britain, France, Italy, Japan and the United States.

This system places huge surpluses in the hands of the few who comprise the owning class. The last detailed report of the Commissioner of Internal Revenue shows that 67 individuals in the United States were in receipt of 299 million dollars of annual income, 99½ per cent. of which was derived from interest, rents, dividends and profits. Those 67 people together with the 30,000 other millionaires in the United States, find it impossible to spend their income on the comforts and luxuries of life. Therefore, they take this surplus, add to it the savings from banks and insurance companies and invest it at home or abroad—wherever the rate of return is more satisfactory.

The "Big Five" all are investing nations. At the beginning of the war Japan had her investments in Korea. Italy had her investments in Africa and Asia Minor. France had her investments in Russia and in other undeveloped countries. Great Britain had twenty billions of dollars invested abroad in 1914. The United States at the present time, is busy investing in Mexico, Central America, South America and China.

Great capitalist nations are compelled, whether they will or not, to invest surplus, otherwise it piles up, creating financial difficulties. They invest the surplus where it will bring the largest return, which usually means in the development of unexploited countries.

The last forty years have witnessed the growth of capitalist imperialism—the foreign investment of economic surplus. Frederick C. Howe has described the process ably in his “Why War?” The same field is well covered by an English economist, J. A. Hobson, in his “Imperialism.”

Each of the “Big Five” nations is busy with its policy of financial imperialism. Within each of the “Big Five,” the working class has been struggling for generations. In Japan, the labor movement has been stamped out with unexampled bitterness. In the United States, a vigorous attempt is now being made to crush it. In Great Britain, France and Italy, the labor movement has gained some power, but no visitor to any of these countries in 1913, could fail to observe the frightful havoc that capitalist exploitation had wrought among the industrial workers.

While the few grew rich, fattening on the surplus of production, the many toiled and slaved for starvation wages. Their wives were overworked, and their children grew up stunted weaklings. The British Parliament issued a report in 1905 on Physical Deterioration, which set forth the facts in horrible detail.

Each of the “Big Five” nations has witnessed and is witnessing, a tremendous struggle between the classes who work with the productive machinery, and the classes who own the productive machinery. The working class struggles for liberation; the owning class struggles to maintain its supremacy—its right to say to the workers, “You work and toil and earn bread, and we will eat it.”

Will an organization dominated by the “Big Five” capitalist empires of the world benefit labor? Will

an organization of exploiters help the exploited? Will a league of capitalist empires benefit wage slaves?

V

A LEAGUE OF ROBBER NATIONS

The "Big Five" control the brute force of the world. They have all of the important naval power; they have most of the important military power, and they dominate the manufacturing industries upon which the success of warfare depends. The union of the "Big Five" is brute force enthroned.

The record of the "Big Five" is a record of conquest, and in too many cases a record of tyranny.

The people of the United States took this country from the American Indians, for the most part by conquest. From Mexico, they took the southwest by conquest. From Spain, they took Porto Rico and the Philippines by conquest, and from Colombia, by the same method, thinly disguised, they took the Panama Canal Zone.

Japan took Korea by conquest and she holds it by a reign of military terror.

France and Italy took their African colonies by conquest, and they hold them with armies and with navies.

Great Britain has laid her conquering hand on one quarter of the territory of the Earth's surface. Today she holds Ireland under her domination with tens of thousands of British soldiers. Egypt is being controlled with machine guns. Forty-five million people in the British Isles, are ruling over the destinies of three hundred million people in India, and crushing out in the most arbitrary and tyrannous manner, every effort of the Indians to liberate themselves. Her record in South Africa during the Boer War is no better than the record of the United States in the Philippines, during our conquest of those possessions.

The "Big Five" have secured their empires by resort to force. All are champions of the right of

might. They rule their dependent peoples with battle ships and artillery. At home they rule the working population with policemen's clubs and constables' batons, and where necessary, they use rifles and machine guns.

Five capitalist empires have set themselves the task of making peace. In order to do so, they have drawn up a Covenant which shall bind these five empires together.

Why did not the Peace Conference invite delegates from the Socialist countries of Europe? Did they refuse to seat envoys from Germany, Austria and Hungary, because they were "enemy" Socialist governments? On what ground, then, did they exclude Russia, an "allied" Socialist government?

Capitalist empires refuse to deal with Socialist Republics because they have nothing in common with them. A capitalist empire aims to maintain exploitation and industrial slavery. A Socialist Republic aims to emancipate mankind from economic thralldom.

The League of Nations turns back the clock of civilization to the age of rule by violence. It shuts out every consideration of national and international democracy. It threatens every revolution and every effort of the working classes to improve their conditions for themselves. The League of Nations is the last stand of capitalism—the last obstacle in the way of the economic emancipation of labor.

VI

THE LEAGUE WILL NOT PREVENT WAR

There is another matter of supreme importance that is inseparably connected with any consideration of the League of Nations. Will the League prevent war?

Plain people everywhere are asking that question. Statesmen have answered that the League could be relied upon as an agency for the promotion of peace. The first words in the League Covenant are: "In

order to promote international cooperation and to achieve international peace and security."

The world has passed through five years of anguish; it faces a generation of hardship; the frightfulness of war never has been more clearly demonstrated than during this period. Peoples never make wars; despite temporary outbursts of patriotism, they soon tire of the hardship that war imposes. In every country to-day the peoples are yearning for peace. In every country they are looking to the League as a means of preserving peace.

This is not the first time that people have yearned for peace. The Napoleonic wars ended the sixty-year struggle between France and Great Britain for the control of the Eighteenth Century world. Peoples in 1815 were yearning for peace as ardently as they yearn to-day. A treaty was signed. A League of Nations initiated by the Emperors of Austria, Prussia and Russia was organized on September 26, 1815, "to protect Religion, Peace and Justice." This "Holy Alliance" had the support of millions then just as the League has the support of millions now.

But the Holy Alliance did not preserve peace. Soon it degenerated into an organization for fighting the new political democracy that was flooding Europe. Since its organization a century ago there have been a score of first class wars ending with the catastrophe of 1914.

The plain people want peace. They look eagerly to the League as a means for its establishment. Their desire, however, will not bring them peace in 1919 any more than it brought peace to their ancestors in 1815. Behind the desire for peace there must be an intelligent understanding of the methods necessary for the establishment of peace.

War has its specific causes, just as typhoid fever has its specific causes. A desire to prevent typhoid is futile unless it is coupled with an intelligent idea of the method to be used in destroying the germ. A desire to prevent war is equally futile unless it is

coupled with an intelligent idea of the methods necessary for destroying the germs of war.

The League Covenant as published in April, 1919, will not prevent war—no covenant drawn by the Paris Peace Conference could be expected to prevent war. Those who rely on the League of Nations as a means of preserving the peace of the world are doomed to the same bitter disappointment suffered by those who expected the Holy Alliance to preserve peace.

There are many reasons behind this assertion. The most obvious one is that peace cannot rest upon victory.

President Wilson explained this point very clearly in his address to the Senate, January 22, 1917.

“The statesmen of both of the groups of nations now arrayed against one another have said, in terms that could not be misinterpreted, that it was no part of the purpose they had in mind to crush their antagonists. But the implications of these assurances may not be equally clear to all. . . . They imply, first of all, that it must be a peace without victory. . . . Victory would mean peace forced upon the loser, a victor's terms imposed upon the vanquished. It would be accepted in humiliation, under duress, at an intolerable sacrifice, and would leave a sting, a resentment, a bitter memory upon which terms of peace would rest, not permanently, but only as upon quicksand. Only a peace between equals can last. Only a peace the very principle of which is equality and a common participation in the common benefit.”

That is why no peace can be founded upon victory. Equality and a common participation in common benefits is the only possible basis for a lasting peace.

The hope of peace died on November 11, 1918. The signing of the armistice terms spelled victory for the Allies. The declaration of victory was a declaration of future war. No Covenant, no League of Nations, no organization of that system of world empire which triumphed over the Central Powers can be expected to preserve world peace. Only a peace between equals

can last. The Central Empires are humiliated and beaten. The triumphant Allies, unequal in their wealth and in their military strength, already have displayed the most brutal indifference toward colonials, the inhabitants of dependencies, and toward the smaller nations themselves. The "Big Five" have no other method of keeping the peace of the world than that attempted by Germany in 1914—the appeal to organized might. This appeal is in itself a declaration of war.

There is a far more important reason why the League cannot bring world peace. The causes of modern war are economic. These causes the League Covenant, as it is drawn, ignores utterly.

Markets, trade and investment opportunities are the trinity in the modern commercial world. Each nation seeks to advance itself in these three directions. Each takes such action as is necessary to protect its own investing citizens in their business rights.

The markets and investment opportunities of the world are limited. There is not enough to satisfy the insatiable craving for wealth which capitalism has developed. Therefore, in the scramble for economic opportunity some nations will be left hungry. The scramble, moreover, provokes diplomatic controversy, economic retaliation, and, finally, military conflict.

The part played by these economic considerations in causing modern wars is generally recognized. Professor Seligman of Columbia University, in a chapter entitled "An Economic Interpretation of the War"—(Problems of Readjustment After the War, D. Appleton & Co., 1915), makes it very clear—"if I read history aright the forces that are chiefly responsible for the conflicts of political groups are the economic conditions affecting the group growth."

Professor Seligman then explains the struggle for food, for colonies and for trade. He continues: "After national industry has been built up through a period of protection, and after the developed industrial countries have replaced the export of raw mate-

rials by the export of manufactured commodities there comes a time when the accumulation of industrial and commercial profits is such that a more lucrative use of the surplus can be made abroad in the less developed countries than at home with the lower rates usually found in an older industrial system. In other words, the emphasis is now transferred from the export of goods to the export of capital." The conclusion of Professor Seligman's argument is significant: "To say, then, that either Great Britain or Germany is responsible for the war seems to involve a curiously shortsighted view of the situation. Both countries, nay, all the countries of the world, are subject to the sweep of these mighty forces over which they have but slight control, and by which they are one and all pushed on with an inevitable fatality."

President Wilson has been emphatic in his statement that the Berlin-to-Bagdad Railway "was constructed in order to run the threat of force down the flank of the industrial undertakings of half-a-dozen other countries." (Buffalo, November 12, 1917.)

The Department of Commerce in a bulletin on "German Trade and the War," (No. 65, 1918) shows conclusively that it was Germany's desire for markets and investment opportunities that brought on the World War.

The Navy League goes farther. As a representative of many of the Big Business activities of the United States it printed in heavy-faced type on page 32 of "Sea Power" (September, 1916),

"The Navy League believes:

"That most modern wars arise largely from commercial rivalries;

"That we are now seizing the world's trade;

"That following the present war will come the most drastic commercial readjustment and the most dangerous rivalries ever known; and, that, consequently, it is our duty to guard ourselves against these dangers while there is yet time."

This formula is generally accepted in the business world. The masters of American industry are now preparing for the next great war.

The League Covenant dodges the economic issue. There is no section in the entire document which even faces, much less attempts to solve, the problem of markets, trade and investments.

Professor Edwin M. Borchard, Professor of International Law, Yale University, writes (LaFollette's, April, 1919, p. 65): "True, more machinery is created; but it seems calculated merely to prevent the operation of inevitable effects resulting from causes to which very little thought appears to have been given. Tariff barriers, trade and investment preferences and monopolies, racial discriminations, the nationalistic control of important trade routes and of backward areas with their raw materials, military and naval rivalry or attempted monopoly, a more intense economic competition than ever before, all these are given full sway; but we are asked to place our trust in a document by which the now dominant nations expect to prevent the inevitable results of these causes, to save themselves from the consequences of their own acts and weakness."

A widely known English economist, Professor J. A. Hobson, goes still farther: In a pamphlet on "The New Holy Alliance," he says, regarding the proposed plan for the League, "The net result is, not a League of peoples devoted to peace and fruitful international co-operation, but a conspiracy of autocrats designed to hold down its enemies by superior economic and military-naval force, and to exercise a domination over the whole world; a tyranny only qualified by the necessity of preserving the solidarity of the great Powers by means of a sufficient share of the spoils of victory."

Most of the conferees in Paris did not understand economic questions. Most of them were international politicians. Political machinery was their chief concern. They failed to grasp the significance of the

economic forces by which they were surrounded. The League Covenant in its present form, with a few changes in wording, might have been written in 1815, so completely does it overlook the problems which financial imperialism has hurled into the arena of modern economic life.

Competition is war. Competition is becoming more intense. War thus grows more inevitable.

The economic struggle in the modern world points in one direction, and in one direction only—toward a stupendous military conflict between the present victors. The capitalist world is rushing to another great catastrophe.

One thing and one thing only will prevent the next war—that is the elimination of capitalism. President Wilson made this point after his return from his first visit to the Peace Conference. At New York, (March 4, 1919) he said: "The people see that their Governments have never been able to defend them against intrigue and aggression and that there is no force of foresight or of prudence in any modern Cabinet to stop war." The week previous, speaking in Boston (February 24, 1919), the President said, "The peoples are in the saddle, and they are going to see to it that if present governments do not do their will, some other government shall, and the secret is out and the present governments know it."

The peoples of Europe at last are awake to the fact that war will not be prevented by a League of Capitalist Empires. Many of them see farther. They realize that war is an inevitable attribute of capitalism, which relies for its philosophy upon the savage precept "Let him take who has the power and let him keep who can."

VII

WILL THE LEAGUE BENEFIT LABOR?

Will the League of Nations benefit labor? The workers; the nine-tenths; the plain people, who fight

wars, suffer poverty and sweat under oppression—will the League of Nations answer their cry for help?

The plain people want peace, bread, enlightenment, liberty. These things and these alone are benefits. The League of Nations will provide none of them.

The five states which dominate the League of Nations are capitalist empires in each of which the industries are run for the private profit of a favored few.

Capitalism cannot bring peace because it is based upon the principles of war. The League of Nations is a League of Capitalist Governments; not a League of Free Peoples. Capitalist governments in the past have waged war to safeguard dividends, and when the time is ripe, they will do it again.

Bread, under capitalism, goes, not to those who make it, but to those who can pay for it—the property owners. The worker, with his pittance wage, cannot buy back what he produces. The property-owner, with his ample income of rents, interest and dividends lives upon the fat of the land. Capitalism to-day is built on the same barbaric system of exploitation that has existed in England since the middle of the eighteenth century, and that exists to-day in Japan, Italy, France and the United States. That system will give the worker neither a fair share of bread nor any of the other opportunities of life. The system has been tried out for generations, and to his sorrow the worker knows it for what he gets.

Even when, for brief periods of prosperity, the workers build up organizations and secure better conditions of life, hard times spell periodic disaster. When the inevitable readjustment is made from war prices to peace prices there will be five, six or, perhaps, even seven millions of men and women on the streets looking for work. What will "war prosperity" amount to then? Of what avail will be their trade and industrial unions? An organization without the ownership of the job at such times amounts to nothing. Capitalism cannot give the workers mas-

tery over their own jobs; if it did it would cease to be capitalism.

Will the League of Nations spread enlightenment through the world? Look over the capitalist countries, and ask whether enlightenment is being spread by individual nations. Are the masters enlightening the workers of Japan? Are they spreading knowledge in France? The Japanese labor agitators are in jail. The French socialist papers still come to the United States with great blotches of "censor" marks on them. Are the masters spreading enlightenment in the United States? They have blanketed every organized avenue of education with ignorance, and individuals who try to illuminate this darkness with the light of truth get from five to twenty years for their pains. The capitalist nations united are not going to spread enlightenment any more than capitalist nations individually. The League of Nations will do no more to enlighten the world than Britain has done to enlighten Egypt. The capitalist nations, united, will practice exploitation, oppression and tyranny just as they have done it individually, with this one difference—"In union there is strength."

Will the League of Nations give the people liberty? Are "the masters of the government of the United States" who are "the combined capitalists and manufacturers of the United States" going to extend to the other portions of the earth the liberty of Everett, Ludlow, Bisbee and Lawrence? The liberty of Bill Haywood, Tom Mooney, Kate O'Hare and Eugene V. Debs? Will Britain give more liberty to the world than she has given to Ireland and India? Will Japan spread Korean liberty among the nations?

Labor needs peace, bread, enlightenment and liberty. None of these things will come through the League of Nations, therefore, the League of Nations will not benefit labor.

Furthermore, there is a fundamental principle here involved. Those who have read American history remember the slogan "taxation without representa-

tion is tyranny." The working people will be asked to abide by the decisions of this League and to pay for them, yet there is not a single representative of labor at the Peace Conference and the League Covenant provides that the Executive Council is to be selected by the governments and not by the peoples.

Who are these governments? Let Woodrow Wilson answer for the United States,—

"We know that something intervenes between the people of the United States and the control of their own affairs at Washington. It is not the people who have been ruling there of late." "We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the civilized world—no longer a government of free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and the duress of small groups of dominant men." "The organization of business has become more centralized, vastly more centralized, than the political organization of the country itself." "The incubus that lies upon the country is the present monopolistic organization of our industrial life." "The masters of the government of the United States are the combined capitalists and manufacturers of the United States." "The government of the United States at present is a foster child of the special interests." "An invisible empire has been set up above the forms of democracy." (The New Freedom.)

"The masters of the government of the United States are the combined capitalists and manufacturers of the United States," says Mr. Wilson. That same thing is true to a greater or less extent in the other four empires involved. Therefore, the masters of the League of Nations inevitably will be the combined capitalists and manufacturers of the nations composing the League. How can labor hope to benefit where it is not represented?

The League is in the hands of those who make a profession of exploiting labor. They are riding com-

fortably now,—these combined capitalists and manufacturers—on the backs of the working people. Joining hands, through the League, they will help to support one another should “any little unpleasantness arise,” and thus, united, they will continue to ride as long as the workers continue to carry them.

The same thing will happen to labor under the League of Nations that has happened to labor in each of the nations composing the League,—labor will get what it takes,—no more and no less.

Pierre Birzon, in a recent issue of “*La Vague*” (April 10, 1919) paints this picture of the issue:

“The old world is condemned.

“It plunged the earth into the bloody night of war and the long winters of injustice.

“Never again must we see such horrors.

“Here is the spring of new republics.

“Peace for us!

“Bread for us!

“The earth for us!

“For us, wealth, art and culture, and the joys that are due to labor,—the embellisher of life!

“It is the spring. Long live the sun!

“It is the spring.

“Down with war!

“It is the spring of the new world!”

VIII

ONLY LABOR CAN BENEFIT LABOR

Only labor can benefit labor. Slaves have lived, ere this, in comfort and luxury. Still they were slaves. The worker who values peace, bread, enlightenment and liberty, dare not depend for these necessities upon capitalist exploiters. Only labor can emancipate labor.

The people of the United States have, as their most cherished tradition, the Declaration of Independence of monarchical tyranny, issued in 1776:

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by

their Creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new government, laying its foundations on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness."

Again tyranny has raised its ugly head in the guise of capitalist imperialism. The day of the people has come. They must write a new Declaration of Independence—*independence of plutocracy and all of its works*. Until labor writes that Declaration of Independence it is helpless.

The path that leads to industrial self-government, almost unknown two years ago, to-day is blazed and trodden. To-morrow this path will be replaced by a paved road.

Russia has set the example. Her constitution (July, 1918) begins with a bill of rights of which this is the first paragraph: "Bearing in mind as its fundamental problem the abolition of exploitation of men by men, the entire abolition of the division of the people into classes, the suppression of exploiters and the establishment of a socialist society." . . . Later in the same section are the words: "Universal obligation to work is introduced for the purpose of eliminating the parasitic strata of society and organizing the economic life of the community." Section 18 reads: "The Russian Soviet Republic considers work the duty of every citizen of the Republic, and proclaims as its motto: 'He shall not eat who does not work.'"

That is the spirit in which the fundamental law of the new world will be written. Only labor can benefit labor, and labor will be the back-bone of the coming civilization.

While one man can live, without work, upon the proceeds of another's labor, an economic slavery prevails for which the League of Nations affords no remedy.

The Russians are striving to make labor the basis of society. Hence their constitution provides: "The right to vote and to be elected to the Soviets is enjoyed by the following citizens, irrespective of religion, nationality, domicile, etc., of both sexes, who shall have completed their eighteenth year by the day of election:

"(a). All who have acquired the means of living through labor that is productive and useful to society, and also persons engaged in housekeeping, which enables the former to do productive work. . . .

"(b). Soldiers of the army and navy of the Soviets.

"(c). Citizens of the two preceding categories who have to any degree lost their capacity to work."

Under the new world order, the right to vote and to be elected to office is reserved for workers—for those who perform a socially useful service.

The Russians make the negative proposition equally emphatic, in stating who may not vote:

"(a). Persons who employ hired labor in order to obtain from it an increase in profits.

"(b). Persons who have an income without doing any work, such as interest from capital, receipts from property, etc.

"(c). Private merchants, trade and commission brokers."

The Russian worker is eligible to vote and to hold office because he is a worker.

The Russian profiteer is denied the right to vote and to hold office because he is a profiteer.

The people of Russia have discovered and expounded a new crime, the crime which one member of society commits when he says to a fellow member: "You work and toil and earn bread and I will eat it."

The workers of Russia have written into their constitution many other provisions, such as those by which all private property in land is abolished; all forests, treasures of the earth, and waters of general public utility, all factories, mills, mines, railways, and all the banks and other financial institutions are transferred to the ownership of the community without compensation to their former owners.

That is the only way in which labor can benefit labor. Sham reforms and patch-work measures are a delusion and snare. The workers must own the works before they can hope to be free.

The forward-looking workers in all countries of the world believe in a League—a League of Socialist Nations. They favor such a League because they believe that the time has come in the evolution of the world when a League of Nations is an imperative necessity. They go far beyond the makers of the League Covenant in that they favor an international delegate body, elected and organized to direct world affairs. Workers believe in *a* League of Nations, but not in *the* League of Nations as at present constituted, because they cannot see how the present League will benefit labor.

The present, for labor, is the opportunity of a century. It is the end of an epoch. It is the beginning of a new age. It is an opportunity that Labor will not have again in this generation.

Only Labor can benefit labor. What labor to-day wants is not a League of Nations composed of capitalist empires and directed by barons and counts, bankers and railroad magnates, but a League of Socialist Republics organized on the basis of the full product of work for the worker; a League of Socialist Republics in which productive labor is made the keystone of the social structure; a League of Socialist Republics which will make economic parasitism impossible and which will make economic and social opportunities equal for all.

FULL REVISED COVENANT OF LEAGUE OF NATIONS WITH CHANGES FROM ORIGINAL DRAFT INDICATED

In order to promote international co-operation and to achieve international peace and security, by the acceptance of obligations not to resort to war, by the prescription of open, just and honorable relations between nations, by the firm establishment of the understandings of international law as to actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, the high contracting parties agree to this covenant of the League of Nations.

[In the original preamble the last sentence read, "adopt this constitution," instead of "agree to this covenant."]

ARTICLE I

The original members of the League of Nations shall be those of the signatories which are named in the annex to this covenant and also such of those other States named in the annex as shall accede without reservation to this covenant. Such accessions shall be affected by a declaration deposited with the Secretariat within two months of the coming into force of the covenant. Notice thereof shall be sent to all other members of the League.

Any fully self-governing State, dominion, or colony not named in the annex, may become a member of the League if its admission is agreed by two-thirds of the assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League in regard to its military and naval forces and armaments.

Any member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations

and all its obligations under this covenant shall have been fulfilled at the time of its withdrawal.

[This article is new, embodying with alterations and additions the old Article VII. It provides more specifically the method of admitting new members, and adds the entirely new paragraph providing for withdrawal from the League. No mention of withdrawal was made in the original document.]

ARTICLE II

The action of the League under this covenant shall be affected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

[Originally this was a part of Article I. It gives the name Assembly to the gathering of representatives of the members of the League, formerly referred to merely as "the body of delegates."]

ARTICLE III

The Assembly shall consist of representatives of the members of the League.

The Assembly shall meet at stated intervals and from time to time as occasion may require, at the seat of the League, or at such other place as may be decided upon.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

At meetings of the Assembly each member of the League shall have one vote, and may have not more than three representatives.

[This embodies parts of the original Articles I, II, and III, with only minor changes. It refers to "members of the League" where the term "high contracting parties" originally was used, and this change is followed throughout the revised draft.]

ARTICLE IV

The Council shall consist of representatives of the United States of America, of the British Empire, of

France, of Italy, and of Japan, together with representatives of four other members of the League. These four members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the representatives of the four members of the League first selected by the Assembly, representatives of (blank) shall be members of the Council.

With the approval of the majority of the Assembly, the Council may name additional members of the League whose representatives shall always be members of the Council; the Council with like approval may increase the number of members of the League to be selected by the Assembly for representation to the Council.

The Council shall meet from time to time as occasion may require, and at least once a year, at the seat of the League, or at such other place as may be decided upon.

The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

Any member of the League not represented on the Council shall be invited to send a representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that member of the League.

At meetings of the Council each member of the League represented on the Council shall have one vote, and may have not more than one representative.

[This embodies that part of the original Article III designating the original members of the Council. The paragraph providing for increase in the membership of the Council is new.]

ARTICLE V

Except where otherwise expressly provided in this covenant, decisions at any meeting of the Assembly

or of the Council shall require the agreement of all the members of the League represented at the meeting.

All matters of procedure at meetings of the Assembly or of the Council, the appointment of committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the members of the League represented at the meeting. The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

[The first paragraph requiring unanimous agreement in both Assembly and Council, except where otherwise provided, is new. The other two paragraphs originally were included in Article IV.]

ARTICLE VI

The permanent Secretariat shall be established at the seat of the League. The Secretariat shall comprise a Secretary General and such secretaries and staff as may be required.

The first Secretary General shall be the person named in the annex; thereafter the Secretary General shall be appointed by the Council, with the approval of the majority of the Assembly.

The Secretaries and the staff of the Secretariat shall be appointed by the Secretary General, with the approval of the Council.

The Secretary General shall act in that capacity at all meetings of the Assembly and of the Council.

The expenses of the Secretariat shall be borne by the members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

[This replaces the original Article V. In the original the appointment of the First Secretary General was left to the Council, and approval of the majority of the Assembly was not required for subsequent appointments.]

ARTICLE VII

The seat of the League is established at Geneva.

The Council may at any time decide that the seat of the League shall be established elsewhere.

All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

Representatives of the members of the League and officials of the League, when engaged on the business of the League, shall enjoy diplomatic privileges and immunities.

The buildings and other property occupied by the League or its officials, or by representatives attending its meetings, shall be inviolable.

[Embodying parts of old Article V and VI, this article names Geneva instead of leaving the seat of the League to be chosen later, and adds the provision for changing the seat in the future. The paragraph opening positions to women equally with men is new.]

ARTICLE VIII

The members of the League undertake to interchange full and frank information as to the scale of their armaments, their military and naval programs and the condition of such of their industries as are adaptable to warlike purposes.

[This covers the ground of the original Article VIII, but is rewritten to make it clearer that armament reduction plans must be adopted by the nations affected before they become effective.]

ARTICLE IX

A permanent commission shall be constituted to advise the Council on the execution of the provisions of Articles I and VII and on military and naval questions generally.

[Unchanged except for the insertion of the words "Article I."]

ARTICLE X

The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression or in case of any threat or danger of such aggression, the Council shall advise upon the means by which this obligation shall be fulfilled.

[*Virtually unchanged.*]

ARTICLE XI

Any war or threat of war, whether immediately affecting any of the members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise, the Secretary General shall, on the request of any member of the League, forthwith summon a meeting of the Council.

It is also declared to be the fundamental right of each member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb either the peace or the good understanding between nations upon which peace depends.

[*In the original it was provided that the "high contracting parties reserve the right to take any action," &c., where the revised draft reads, "The League shall take any action."*]

ARTICLE XII

The members of the League agree that if there should arise between them any dispute likely to lead to a rupture they will submit the matter either to arbitration or an inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

In any case under this article the award of the arbitrators shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

[Virtually unchanged except that some provisions of the original are eliminated for inclusion in other articles.]

ARTICLE XIII

The members of the League agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration. Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact, which, if established, would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration. For the consideration of any such dispute the court of arbitration to which the case is referred shall be the court agreed on by the parties to the dispute or stipulated in any convention existing between them.

The members of the League agree that they will carry out in full good faith any award that may be rendered and that they will not resort to war against a member of the League which complies therewith. In the event of any failure to carry out such an award, the Council shall propose what steps should be taken to give effect thereto.

[Only minor changes in language.]

ARTICLE XIV

The Council shall formulate and submit to the members of the League for adoption plans for the establishment of a permanent court of international justice. The court shall be competent to hear and de-

termine any dispute of an international character which the parties thereto submit to it. The court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

[Unchanged except for the addition of the last sentence.]

ARTICLE XV

If there should arise between members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration as above, the members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary General, who will make all necessary arrangements for a full investigation and consideration thereof. For this purpose the parties to the dispute will communicate to the Secretary General, as promptly as possible, statements of their case, all the relevant facts and papers; the Council may forthwith direct the publication thereof.

The Council shall endeavor to effect a settlement of any dispute, and if such efforts are successful, a statement shall be made public, giving such facts and explanations regarding the dispute and terms of settlement thereof as the Council may deem appropriate.

If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

Any members of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

If a report by the Council is unanimously agreed to by the members thereof other than the representatives of one or more of the parties to the dispute, the members of the League agree that they will not go to

war with any party to the dispute which complies with the recommendations of the report.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the members of the League reserve the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the Council to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendations as to its settlement.

The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within fourteen days after the submission of the dispute to the Council.

In any case referred to the Assembly all the provisions of this article and of Article XII relating to the action and powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the representatives of those members of the League represented on the Council and of a majority of the other members of the League, exclusive in each case of the representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the members thereof other than the representatives of one or more of the parties to the dispute.

[The paragraph specifically excluding matters of "domestic jurisdiction" from action by the Council is new. In the last sentence the words "if concurred in by the representatives of those members of the League represented on the Council," &c., have been added.]

ARTICLE XVI

Should any member of the League resort to war in disregard of its covenants under Articles XII, XIII, or XV, it shall ipso facto be deemed to have committed an act of war against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State and the prevention of all financial, commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the League or not.

It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military or naval forces the members of the League shall severally contribute to the armaments of forces to be used to protect the covenants of the League.

The members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State and that they will take the necessary steps to afford passage through their territory to the forces of any of the members of the League which are co-operating to protect the covenants of the League.

Any member of the League which has violated any covenant of the League may be declared to be no longer a member of the League by a vote of the Council concurred in by the representatives of all the other members of the League represented thereon.

[Unchanged except for the addition of the last sentence.]

ARTICLE XVII

In the event of a dispute between a member of the League and a State which is not a member of the League, or between States not members of the League, the State or States not members of the League shall be invited to accept the obligations of membership in the League for the purpose of such dispute, upon such conditions as the Council may deem just. If such invitation is accepted, the provisions of Articles XII to XVI inclusive shall be applied with such modifications as may be deemed necessary by the Council.

Upon such invitation being given, the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a member of the League, the provisions of Article XVI shall be applicable as against the State taking such action.

If both parties to the dispute, when so invited, refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

[*Virtually unchanged.*]

ARTICLE XVIII

Every convention or international engagement entered into henceforward by any member of the League shall be forthwith registered with the Secretariat, and shall, as soon as possible, be published by it. No such treaty or international engagement shall be binding until so registered.

[*Same as original Article XXIII.*]

ARTICLE XIX

The Assembly may, from time to time, advise the reconsideration by members of the League of treaties which have become inapplicable, and the consideration of international conditions which continuance might endanger the peace of the world.

[*Virtually the same as original Article XXIV.*]

ARTICLE XX

The members of the League severally agree that this covenant is accepted as abrogating all obligations or understandings inter se which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

In case a member of the League shall, before becoming a member of the League, have undertaken any obligations inconsistent with the terms of this covenant, it shall be the duty of such member to take immediate steps to procure its release from such obligations.

[*Virtually the same as original Article XXV.*]

ARTICLE XXI

Nothing in this covenant shall be deemed to affect the validity of international engagements such as treaties of arbitration or regional understandings like the Monroe Doctrine for securing the maintenance of peace.

[*Entirely new.*]

ARTICLE XXII

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them, and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied

the principle that the well being and development of such peoples form a sacred trust of civilization, and that securities for the performance of this trust should be embodied in this covenant.

The best method of giving practicable effect to this principle is that the tutelage of such peoples be entrusted to advanced nations who, by reasons of their resources, their experience, or their geographical position, can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as mandataries on behalf of the League.

The character of the mandate must differ according to the stage of development of the people, the geographical situation of the territory, its economic condition and other similar circumstances. Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience or religion subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic, and the liquor traffic and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes, and the defense of territory, and will also secure equal opportunities for the trade and commerce of other members of the League.

There are territories, such as Southwest Africa and certain of the South Pacific islands, which, owing to the sparseness of their population or their small size

or their remoteness from the centres of civilization or their geographical contiguity to the territory of the mandatarv and other circumstances can be best administered under the laws of the mandatarv as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population. In every case of mandate, the mandatarv shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the mandatarv, if not previously agreed upon by the members of the League, shall be explicitly defined in each case by the Council.

A permanent commission shall be constituted to receive and examine the annual reports of the mandataries and to advise the Council on all matters relating to the observance of the mandates.

[This is the original Article XIX, virtually unchanged, except for the insertion of the words, "and who are willing to accept," in describing nations to be given mandatories.]

ARTICLE XXIII

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the League (a) will endeavor to secure and maintain fair and humane conditions of labor for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations; (b) undertake to secure just treatment of the native inhabitants of territories under their control; (c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other

dangerous drugs; (d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control to this traffic is necessary in the common interest; (e) will make provision to secure and maintain freedom of communication and of transit and equitable treatment for the commerce of all members of the League. In this connection the special necessities of the regions devastated during the war of 1914-1918 shall be in mind; (f) will endeavor to take steps in matters of international concern for the prevention and control of disease.

[This replaces the original Article XX, and embodies parts of the original Articles XVIII and XXI. It eliminates a specific provision formerly made for a bureau of labor and adds the clauses (b) and (c).]

ARTICLE XXIV

There shall be placed under the direction of the League all international bureaus already established by general treaties if the parties to such treaties consent. All such international bureaus and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

In all matters of international interest which are regulated by general conventions, but which are not placed under the control of international bureaus or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

The Council may include as part of the expenses of the Secretariat the expenses of any bureau or commission which is placed under the direction of the League.

[*Same as Article XXII in the original, with the matter after the first two sentences added.*]

ARTICLE XXV

The members of the League agree to encourage and promote the establishment and co-operation of duly authorized voluntary national Red Cross organizations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

[*Entirely new.*]

ARTICLE XXVI

Amendments to this covenant will take effect when ratified by the members of the League whose representatives compose the Council and by a majority of the members of the League whose representatives compose the Assembly.

Such amendment shall [not?] bind any member of the League which signifies its dissent therefrom, but in that case it shall cease to be a member of the League.

[*Same as the original, except that a majority of the League instead of three-fourths is required for ratification of amendments, with the last sentence added.*]

ANNEX TO THE COVENANT

I. Original members of the League of Nations.

Signatories of the Treaty of Peace:

United States of America, Belgium, Bolivia, Brazil, British Empire, Canada, Australia, South Africa, New South Wales, India, China, Cuba, Czechoslovakia,

Ecuador, France, Greece, Guatemala, Haiti, Hedjaz, Honduras, Italy, Japan, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Rumania, Serbia, Siam, Uruguay.

States invited to accede to the covenant:

Argentine Republic, Chile, Colombia, Denmark, Netherlands, Norway, Paraguay, Persia, Salvador, Spain, Sweden, Switzerland, Venezuela.

II. First Secretary General of the League of Nations:

(—————)

[The annex was not published with the original draft of the covenant.]

The Socialist Party Needs You

But it needs you trained in the best ways of doing things and educated in the knowledge of International Socialism.

Every State, every city is calling for **organizers, speakers, writers and secretaries**. Sometimes these positions are compensated, sometimes not. Do you want to respond to the call?

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THE MENACE OF MILITARISM

AN ANALYSIS, A CRITICISM
A PROTEST AND A DEMAND

By

SCOTT NEARING

Wilson + School Review. Vol. 7, p. 604.
"I have come to have a great and wholesome respect for the facts."—WOODROW WILSON (Waldorf-Astoria, New York, Jan. 27, 1917).

"If there is one thing that we love more deeply than another in the United States, it is that every man should have the privilege, unmolested and uncriticised, to utter the real convictions of his mind."—WOODROW WILSON (Soldiers' Memorial Hall, Pittsburgh, Jan. 29, 1916).

"I believe that the weakness of American character is that there are so few growlers and kickers amongst us."—WOODROW WILSON (School Review, Vol. 7, p. 604).

"One thing this country never will endure is a system that can be called militarism."—WOODROW WILSON (Waldorf-Astoria, New York, Jan. 27, 1917).

"We have forgotten the very principle of our origin, if we have forgotten how to object, how to resist, how to agitate, how to pull down and build up, even to the extent of revolutionary practices, if it be necessary to readjust matters."—WOODROW WILSON (School Review, Vol. 7, p. 604).

MILITARISM

"Militarism consists in preparing a great machine whose only use is for war."—WOODROW WILSON (New York, Jan. 27, 1916).

"The spirit and temper which exalts the military virtues and ideals and minimizes the defects of military training and the cost of war and preparation for it."—WEBSTER'S INTERNATIONAL DICTIONARY.

"A futile and wicked statecraft which, in every land, has held up before the peoples the foulest of idols—material security resting upon bayonets."—E. D. MOREL, "Truth and the War," p. 42.

"The prevalence of military sentiment and ideals among a people."—NEW ENGLISH DICTIONARY.

"The giving of undue prominence to military training and military glory; the maintenance of government by military force; warlike or military spirit; used now mostly in reference to the European policy of maintaining great standing armies."—NEW STANDARD DICTIONARY.

"The maintenance of national power by means of standing armies."—CENTURY DICTIONARY.



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I. *What Is Militarism?*

Militarism is the sway of might, organized for destruction.

The militarist applauds the martial virtues; urges military preparedness and military training; glorifies war; deifies victory; preaches that right must depend upon might; and thus makes the "war-man" a greater benefactor to his race than the "peace-man."

The militarist is always busy preparing for war. He insists that the real purpose of his battleships, cruisers, destroyers, submarines, battalions, regiments, batteries, machine-guns, shrapnel, hand-grenades, gas-tanks and bayonets is the preservation of peace; but no sane man, after seeing the desolation of Europe during the present war, can argue that preparedness makes for peace. Grant that Germany was more thoroughly prepared than any of the other European nations—that fact has not prevented the loss of millions of her sons, and billions of her treasure. Face the fact, honestly, and admit that all Europe has been preparing, feverishly, these forty years—preparing for what? For peace? Read the answer in the record of the first three years of the war. The militarist governments of Europe prepared for the war that the people are now fighting.

Preparedness and militarism, established for the avowed purpose of maintaining peace, defeats their own ends, by making peace impossible, defeat war inevitable. History shows that the great military nations are the

great warring nations—warring for dominion, power, aggrandizement, and world empire, only to fall a prey to the devouring monster they had created to subjugate their enemies.

Worse than the self-destructiveness of militarism is its denial of everything held most precious by the disciples of democracy. Militarism and democracy are contradictory terms.

Militarism stifles democracy.

Militarism is the despotic sway of organized might. Democracy is the co-operative activity of fellowship and brotherhood. Militarism and democracy cannot exist side by side. Where militarism thrives, democracy sickens. When democracy flourishes, militarism is impossible. The founders of the American Republic had learned this fact from their bitter experiences with the European cess-pool of armaments, diplomacy, intrigue, entanglements, preparedness, and incessant military conflict. Therefore, they insisted that the United States should have no standing army, no great navy, and no alliances with European powers.

An army cannot be democratic. It must be controlled by a despot. A militarist nation, building its life upon its army, will fall a victim to the same despotic authority that holds the army in its grip.

The militarized nation forgets the language of democracy—forgets “liberty,” “equality,” “justice,” and “fraternity.” In their place appear such phrases as—“Germany first”; “My country, right or wrong.” The militarist nation announces itself the guardian of the world’s virtue, and prepares itself to preserve and propagate that virtue at all hazards. The militarist nation

regards itself as the salt of the earth. It considers its cause the most righteous cause and denounces its enemies as the enemies of justice and truth.

The militarist nation makes extensive preparations for war, because armies and navies are the only arguments that the militarist considers effective. Militarism is always inaugurated for the avowed purpose of defending freedom at home, or preserving it abroad. Invariably, it blights and throttles liberty.

2. *Militarism an Involuntary Servitude*

Militarism establishes involuntary servitude.

The free people who accept militarism accept the death warrant of their most precious liberties. At the moment when they admit militarism into their councils, they adopt a system of involuntary servitude that is abhorrent to every principle of human freedom. There is no longer any choice. All of the people—peace-men and war-men alike, must prepare for war. All of the sons, brothers, husbands and fathers, whether they believe in it or not, must be trained to fight. All of the daughters, sisters, wives and mothers must be prepared to sacrifice and suffer. The nation has substituted militarism for democracy and its citizens must pay the price.

There are some men who like war—who enjoy a fight. Upon them militarism imposes no hardship; it rather affords a welcome opportunity.

The vast majority of men are opposed to war. They love their homes and enjoy their families. Their interests lie in the paths of quietness and peace. War they hate. They abhor slaughter, destruction, and the mis-

ery and anguish that trail in the wake of a military campaign. Militarism conscripts the peace-man as well as the war-man. Both must learn the art of war.

The peace-man finds militarism a three-fold slavery. First of all, it is slavery of the body; again, it means slavery of the mind, and in the third place, it involves the slavery of the soul.

The "goose step" is the symbol of the body slavery which goes with militarism. All young men, reaching the "military" age, are sent through a certain kind of training which develops habits of physical obedience by the constant repetition of certain orders and forms. When the commander calls "attention," the conscript straightens up; when the commander says "forward," the conscript advances; when he says "fire," the conscript shoots. The soldier learns to do what he is told, mechanically. Furthermore, all of these young men are trained in the same way. Militarism makes little allowance for the individual. It provides a universal mill through which all personalities must be ground.

One of the officers, whose duty it is to train the American Militia, put the matter in this blunt way—"We must get our men so that they are machines, and this can only be done as the result of a process of training." The logical result of militarism is a physical slavery which makes all of those who have been subjected to the discipline machine-like automatons.

The physical slavery of militarism is merely incidental. More serious is the mind slavery which it involves. Mental discipline, like physical discipline, is good so long as it produces growth. It is dangerous and disastrous only when it results in action without thought.

A democracy expects that its citizens will act only after mature consideration and discussion. The very spirit of militarism makes both consideration and discussion impossible. The object of military training is to produce "unquestioning, absolute obedience." An American military authority writes: "I want a young man, when he is spoken to by some one in authority, to stand up, and look him in the face, and then do what he is told without question." Tennyson, eulogizing the Light Brigade, so carelessly sacrificed at Balaklava, stated the matter admirably:

"Theirs not to make reply,
Theirs not to reason why,
Theirs but to do and die."

One of the great kings of Europe said to a group of conscripts: "It may happen that I shall order you to shoot your own relatives, your brothers, or even your own parents—which God forbid—and then you are bound in duty implicitly to obey my orders." The soldier does not think, nor does he choose—he obeys.

Infinitely worse than the body slavery and mind slavery which is involved in militarism, is the slavery of the soul. If there was one thing that the early Americans held more dear than another, it was the right of freedom of belief. For centuries Europe witnessed the struggle that was waged by men who insisted upon the right to follow the dictates of their consciences. Yet under militarism there is an utter denial of the right of belief.

Many men believe in fraternity. To them brotherhood is the truest fact in the world. Democracy is founded on such a faith, and the whole structure of modern demo-

cratic thought is built upon the principle of universal brotherhood.

The conscript is called and trained for war—to obey orders; to destroy; to mutilate; to kill. “The utmost damage to the enemy” is the rule of war, and the conscript must follow the rule against an enemy that he has never seen; against an enemy that he may not even hate. Face to face with a fellow-man of whose very existence he was until this moment ignorant, he must slay at the word of command.

The “conscription of conscience” is a menace to fundamental democratic life. “Freedom of speech, freedom of assembly and freedom of the press are all opposed to military effectiveness and must disappear step by step if freedom of conscience, the advance trench of democracy, is carried by the militarists. The new political persecution, represented by the adoption of conscription, differs from the old religious persecution in this: Whereas, in the middle ages the heretic could save his life by keeping his mouth closed and his opinions to himself, in the modern political persecution of Twentieth Century militarism, the heretic who may believe that an aggressive foreign policy is unjust, or a war which his country has declared is unprovoked, is compelled not only to keep his opinions to himself, but is forced to go out and kill his fellow-men against whom he may have no cause for enmity whatever.¹

It is sometimes mistakenly asserted that militarism calls upon all men to die for their country. That statement is

¹ G. W. Nasmyth, in the *Journal of Race Development*, October, 1916.

erroneous. Militarism calls upon all men to kill for their country. There is a wide difference between the two principles. Most people are willing to die for the things that they hold dear. Many are unwilling to kill for them.

Militarism is the sway of might, organized for destruction. It negates democracy, sweeps aside brotherhood, shackles liberty, and finally destroys its victim. For the individual who is not a lover of war militarism means the slavery of body, mind and soul. It is a scourge to the nations; a tyrant of the human race. Militarism sums up the despotisms and oppressions of the old world. It comes to us out of the ignorance, superstition, prejudice, bigotry, fear and hate that blighted the earth during the dark ages. It should have been discarded a thousand years ago, when centuries of experience had demonstrated its futility, but, like many another outworn institution, it still persists, in various forms, the world over.

3. *Militarism in Germany and America*

We Americans have always associated the idea of militarism with Germany. For years we have read and spoken and thought of Prussianism and militarism as the same thing. The public press and the public men of the nation have insistently held up the German military system as a menace to the peace, happiness and prosperity of the world.

Bearing in mind the fact that Germany is emerging from Feudalism, while we Americans believe that ours is the premier democracy of the world, let us compare the situation in the two countries. In order to do this successfully we must go back to the years in which both

nations were at peace. Germany in 1913-14 demanded universal military service. Practically all men between certain ages were compelled to spend an apprenticeship period in the army. During this period they learned the ways of army life and prepared themselves for the defense of the fatherland against the rest of the world.

The German conscript, like any other conscript, was not always militaristically inclined. Despite the patriotic training in the schools, and the militaristic training during the service period, hundreds of thousands of Germans left Germany in order to escape the unintelligent servitude demanded by the military system.

The German army was supreme in Germany. Army officers were privileged characters. The press, the school and the pulpit united in praising German military efficiency, and in commending to the people the spirit of German militarism—but always as a means of defending and protecting the Fatherland.

A growing Socialist minority insistently warned and protested against the impending danger. Nevertheless Germany went on her way unheeding.

The Krupps and the other great war makers were meanwhile feeding on preparedness. The building of a new battleship by the British meant increased activity among the Germans. The adoption of improved field artillery by the French forced the Germans to discard their old field pieces. Legislatures were urged, and public opinion was tantalized by preparedness stories. Military and naval programs were joyously proclaimed by the agents of the gun-makers, while the business grew by leaps and bounds.

It might be remarked in passing that the Krupps have

manufactured munitions of war for more than fifty nations, among them most of the present enemies of Germany. That, however, is a mere detail of the business side of munition making. Gun factories exist to produce guns, and guns are made to be sold.

Percy Mackaye characterized the munition makers in these trenchant words:

"Crowned on the twilight battlefield there bends
A crooked iron dwarf and delves for gold
Chuckling: 'one hundred thousand gatlings—sold!'"

Meanwhile the diplomatic corps was plotting and scheming, always manipulating, always under cover, always enshrouded in darkness, never bringing their nefarious traffic to the light of day. Note how Alfred Noyes describes these international politicians:

"Each was honest after his way,
Lukewarm in faith, and old;
And blood, to them, was only a word,
And the point of a phrase their only sword,
And the cost of war, they reckoned it
In little disks of gold.

"They were cleanly groomed. They were not to be bought.
And their cigars were good.
But they had pulled so many strings
In the tinselled puppet-show of kings
That, when they talked of war, they thought
Of sawdust, not of blood;

"Not of the crimson tempest
Where the shattered city falls:
They thought, behind their varnished doors,
Of diplomats, ambassadors,
Budgets, and loans and boundary-lines,
Coercions and re-calls."

Like the munition makers, the diplomats were doing their day's work. They wished harm to no one. They were no more vicious and no more hateful than the rest of mankind. But they made it their business to play nation against nation in preparation for the savage game of war.

More important than conscription, or the army, or the munition makers, or the diplomats, in the system of German militarism were the business interests—the financiers, bankers, editors and manufacturers—who were pushing their foreign markets, placing their foreign investments, building their merchant marine, and constantly insisting upon the expansion of the navy and the maintenance of the army as a protection to their commercial ventures.

The leading statesmen of Germany were involved in the business game. The German system of government, the German organization of diplomacy, the German navy and the German army were at the disposal of the business interests of Germany, and these interests were insisting in season and out of season upon overthrowing the commercial, industrial and financial supremacy of the business men of Great Britain.

The preparedness program was costing the German nation about 400 million dollars a year before the outbreak of the European war. The spirit of the German government was in it, and the hands and bodies, if not the hearts and minds of the German people, were behind it, and they were taught to shout vehemently, "Deutschland Uber Alles."

During the year 1916-17, the United States was still at peace. In what important respects did the milita-

rism of America at peace in 1916-17 differ from the militarism of Germany at peace in 1913-14?

Conscription had not been adopted in the United States, but the demand for universal military service was strong. In fact, a number of States had passed laws looking toward universal service, and the military bill signed by the President in the summer of 1916 carried a provision which practically gave him the power to draft men in case of war. The air was full of rumor, however. The volunteer system of raising and maintaining an army was being discredited and condemned. Throughout the land there had been a persistent clamor for a more drastic scheme of military service. The plans differed, but the business interests were united in their insistence that we have an army. Anyone who suggested the possibility of peace in Europe was immediately denounced, and the energy and thought of the American people were turned actively toward preparedness for war—a war of defense against the danger of a foreign invasion that was staged five times daily in movie houses throughout the land.

Then the President, after having taken the position that there could be such a thing as a “nation too proud to fight,” and after assuring the American people (New York City, January 27, 1916) that “no one seriously supposes that the United States needs to fear an invasion of its own territory,” made a tour of the country, urging preparedness, and insisting on a large increase in the army and navy.

Meanwhile American junkerdom was getting to its feet. For years it had been looking forward to “the day” when it would come into its own, and “the day” evidently

had arrived. Patriotic fervor glowed through speeches and printed articles. Throughout the country there was a paeon of praise for the glory of arms and the satisfactions of war.

At one time the rising war-spirit of the people was directed to Mexico, at another time to England, at another time to Japan, and at still other times to Germany. At all times, however, the slogan was the same. Whether a merchant ship was sunk by the Germans; or a cargo confiscated on the high seas by the British, or a mining property burnt in the hills of Mexico—in any and all cases, the honor of the United States was at stake. The jingo spirit was abroad in the land, and the press, the pulpit and a myriad of men in public life did their utmost to fan it into a war-flame.

The startling charge made by the President of the United States in a statement to the American people (released for Sunday, March 26, 1916) verified even the most extreme statements regarding the interference of business interests with the Mexican situation: "It is my duty to warn the people of the United States that there are persons all along the border who are actively engaged in originating and giving as wide currency as they can to rumors of the most sensational and disturbing sort which are wholly unjustified by the facts. The object of this traffic in falsehood is obvious. It is to create intolerable friction between the Government of the United States and the *de facto* Government of Mexico, for the purpose of bringing about intervention in the interest of certain American owners of Mexican properties."

Perhaps the most astounding thing about the whole

situation was that the bankers, journalists, manufacturers, railroad magnates, gas-company officials, and the other direct beneficiaries of special privilege had become, over night, the leading patriots. They developed a sudden and deep devotion to the flag. They loved old Uncle Sam like a brother, and they were prepared to go to any lengths in his defense. Miraculously, to the observer, the people's leading enemies had become the nation's staunchest supporters.

As in Germany, so in the United States, there was secret diplomacy and political scheming. America is nominally a democracy, but the American people know no more about the diplomatic relations and the diplomatic intrigue in which the Government takes part than did the people of Germany before the present war. Daylight diplomacy is no more a reality in Washington than it is in Berlin.

Meanwhile the Bethlehem Steel Company, the DuPont Powder Company, and other munition manufacturers were busy reaping their huge profits, multiplied many times since the outbreak of the war. There was a danger, however, that when the British war contracts ran out they would not be renewed. The American business interests, led by the House of Morgan, which was acting as the American representative of the allied governments, together with the traders in steel, copper, wheat, cotton and other necessities of life, were growing fabulously wealthy. Their vast profits, stacked up in the form of large dividends and great undivided surplus funds, were being invested in the West Indies, and in Central and South America. American investors were busy. Our business men were making profits while the war lasted.

But when the war was over there would be need for an army and a navy to defend their recent economic conquests, hence, as Congressman Tavenner showed in his speech on the "Navy League Unmasked," these financial agents were liberal in their support of the preparedness propaganda which was sweeping the country.

Picture Germany and America side by side. Universal service a fact in Germany, and soon to be realized in the United States; the army held up for admiration and protected against criticism; the great munition makers making millions out of preparations for war; the secret diplomats carrying on their frightful game, and the great business interests issuing their requests and commands.¹ In both Germany and America there existed all of the earmarks of militarism. The cost of the army and navy to Germany in 1913-14 was 390 millions. The cost to the United States in 1916-17 was 662 millions. In Germany they cried "Deutschland Uber Alles"—in America, "My Country, Right or Wrong!" and "America First."

The parallel favors the United States, only because this country has had less time to develop militarism. The Germans have been before us. For a hundred years they have been building this barbaric structure. We have been busy for only a few months, and yet the extraordinary facility with which we have turned toward militarism during that time warrants the belief that it may not

¹ For an excellent summary of this situation see "The World Wide War Trust," a speech by Congressman Clyde H. Tavenner (Feb. 15, 1915), and "Why War?" Frederic C. Howe, Scribner's, 1916. Mr. Howe writes (p. viii): "It is the struggle of high finance bent on the exploitation of weaker peoples that has turned Europe into a human slaughter-house."

be long before we have introduced into the United States as complete a system of militarism as Germany has ever known.

4. *Organized Mendacity*

They lied to us!

Consciously, deliberately, with premeditation and malice aforethought, they lied to us! The shepherds of the flock, the bishops of men's souls, the learned ones, the trusted ones—with fear in their hearts and a craven falsehood on their lips, they betrayed us.

Not all of them!

There were some who believed sincerely that they were in the right; there were some who knew no better; there were some who should have known better and were duped, and there were some, oh! so very, very few, who kept the faith—all through the bitter years—and who were reviled, maligned, attacked and jailed—but we had trusted them all and most of them betrayed us.

First of all—most conspicuous and most notorious there were the newspapers—the channels of information that reached the greatest number of American people—that shamelessly and almost without exception, threw their news-columns as well as their editorial pages on the side, first of preparedness and then of war. A meeting called to advocate war would be heralded beforehand in blazing type across the page, and would be reported in elaborate detail. A meeting of the same number of people, addressed by speakers of equal ability, called to consider peace, would be treated with indifference or ignored. Every device that could be relied upon to stimulate fear and to arouse hate was resorted to—the papers

seeming to vie with one another in their efforts to lash American public opinion to a state of war fury.

My life has brought me into contact with many newspaper men. I sat in the office of one managing editor recently, discussing this very matter. At first, by way of defense, he insisted that there was only one side to the question. Then, when I asked him whether he, as a newspaper man of long experience, was willing to state that there was only one side to the greatest public issue that had confronted the world for a generation, he protested, shamefacedly, that the owner of the paper, a business man of prominence, was for war, "and that settles the matter as far as this paper is concerned," he said.

So far did the papers carry their propaganda that in some cases they not only refused to print anti-war stories, but declined to accept paid advertisements carrying anti-war sentiments.

There is no necessity for referring at length to the charge, reiterated on the floor of Congress, and not denied, that a number of the leading American newspapers were subsidized by the Morgan interests for the purpose of lying about the war. Mr. Callaway (Texas) asked unanimous consent to insert in the Record¹ a statement of the way in which "the newspapers of this country have been handled by the munition manufacturers." Here is the statement:

"In March, 1915, the J. P. Morgan interests, the steel, ship-building, and powder interests, and their subsidiary organizations, got together 12 men high up in the newspaper world and employed them to select the most influential newspapers in the

¹ Congressional Record (Feb. 9, 1917; pp. 3220-3221).

United States and sufficient number of them to control generally the policy of the daily press of the United States.

"These twelve men worked the problem out by selecting 179 newspapers and then began, by an elimination process, to retain only those necessary for the purpose of controlling the general policy of the daily press throughout the country. They found it was only necessary to purchase the control of 25 of the greatest papers. The 25 papers were agreed upon; emissaries were sent to purchase the policy, national and international, of these papers; an agreement was reached; the policy of the papers was bought, to be paid for by the month; an editor was furnished for each paper to properly supervise and edit information regarding the questions of preparedness, militarism, financial policies, and other things of national and international nature considered vital to the interests of the purchasers.

"This contract is in existence at the present time, and it accounts for the news columns of the daily press being filled with all sorts of preparedness arguments and misrepresentations as to the present condition of the United States Army and Navy, and the possibility and probability of the United States being attacked by foreign foes.

"This policy also included the suppression of everything in opposition to the wishes of the interests served. . . . They have resorted to anything necessary to commercialize public sentiment and sand-bag the national Congress into making extravagant and wasteful appropriations for the Army and Navy under the false pretense that it was necessary. Their stock argument is that it is 'patriotism.' They are playing on every prejudice and passion of the American people."

Ample opportunity was given for the denial of these charges. On February 17, 1917, Congressman Moore of Pennsylvania introduced a resolution calling for an immediate investigation of their truth or falsity. Had the American newspaper or the business interests involved wished such an investigation, they could easily have

pushed it through Congress at that time, but the investigation was never made.

After all, the truth or falsity of these charges is of little moment. The great, outstanding, bitter fact is that the newspapers, instead of informing us, lied to us—consistently.

But the newspaper is a private business, and if it wishes to be a propaganda sheet for this or that cause, no one need object, provided there is a clear understanding that the paper in question does not propose to tell the truth. When the European war began, millions of Americans still looked to the newspapers for the facts upon which they should base their opinions as citizens of the democracy. They trusted the newspapers as sources of information on a vital public issue, and they were betrayed.

The newspapers were not alone. Others lied to us whose conduct is far less excusable than that of the press. There were the scientists, teachers, research-men—who have given their lives to study; men charged with the sacred duty of seeking out the truth and telling it to the people. And they lied to us.

Bertrand Russell, a professor of logic in Cambridge University, and one of the foremost scholars of England, says: "I cannot but think that the men of learning, by allowing partiality to color their thoughts and words, have missed the opportunity of performing a service to mankind for which their training should have specially fitted them. The truth, whatever it may be, is the same in England, France, and Germany, in Russia and in Austria. . . . Men of learning, . . . might have attempted at this time to make themselves the mouthpiece

of truth, to see what was false on their own side, what was valid on the side of their enemies: They might have used their reputation and their freedom from political entanglements to mitigate the abhorrence with which nations have come to regard each other, and to help toward understanding, to make peace, when it comes, not a mere cessation due to weariness, but a fraternal reconciliation, springing from a realization that the strife has been a folly of blindness. They have chosen to do nothing of all this. Allegiance to country has swept away allegiance to truth. Thought has become the slave of instinct, not its master. The guardians of the temple of truth have betrayed it to idolaters, and have been the first to promote the idolatrous worship.”¹

What more can be said?

What more is there to say? Except that the same thing that happened in Europe has happened also in the United States and that the college halls and class rooms, almost without exception, have been ringing with a note of partisanship, antagonism, and hate that is not met even in the recruiting station or the training camp.

Then there are the churches. Here and there a minister has raised his voice for peace and brotherhood, but his has been merely one voice, crying in the wilderness of militaristic propaganda

When I think that these men of the cloth, sworn servants of God and followers of Jesus of Nazareth, the men trusted as the spiritual advisers of the people, have been among the most ardent propagandists of hatred and bitterness, I think that I may be pardoned if I simply

¹ Bertrand Russell: Justice in War Time, pp. 2-3.

remind the reader that their Leader, after commanding purity, meekness, justice and peace, said: "Blessed are ye, when men shall revile you, and persecute you and shall say all manner of evil against you, falsely, for my sake. Rejoice and be exceeding glad, for so persecuted they the prophets that were before you," and to note that, in this immense world crisis, most of the clergy have escaped reviling and persecution.

The mighty ones—the masters in the land—the favored, trusted leaders of American public opinion turned militaristic, and after denouncing German jingoism, developed a jingoism of their own, more vicious, because more unjustifiable than that of the Germans. And the great mass of the common people of the land, who relied upon these elect ones and trusted them, have turned away empty, or else with the bitterness of gall and wormwood on their lips.

Shepherdless—for the moment leaderless—the common folk of America are turning this way and that, in an effort to extricate themselves from the network of falsehood that has enmeshed their minds and poisoned their souls. Perhaps, in seeking they may decide with the common people of Russia that the only sure way to have a thing done right is to do it for themselves.

5. *The Rape of the School*

Is there any limit to their audacity? Not content with militarizing public life; not satisfied to have debauched the press, the rostrum and the pulpit, the militarists everywhere have laid their hands on the public schools, in order to fasten the brutalizing influence of the militarist

spirit on the immature minds and souls of little children, and thus warp them for life in the direction of organized brutality.

Be it remembered, first of all, that the American business interests—the same interests that clamored most loudly, first for preparedness and later for war, control the schools.

A study of the boards of education in 104 of the leading cities, containing one-fourth of the total population of the country, showed that the vast majority of school board members were successful business and professional men. About six-sevenths of the people in an industrial city are wage earners and clerks. All of the business men, bankers, real estate men, doctors, lawyers and teachers, and all other professional and business men constitute only a tiny fraction of the industrial population. Yet this small group in the community dominates the public school system almost completely. In the cities covered by this study less than one school board member in ten was a wage earner.

Throughout the United States to-day the school children are being militarized in as thoroughgoing a manner as the children in Germany were militarized before the war. In the first place they are taught to regard America as the greatest, freest and best nation on earth. Such misrepresentation, carried on under the guise of patriotism, was very finely rebuked by Woodrow Wilson in a speech on "Spurious Versus Real Patriotism": "Any teacher who teaches a child that the flag of the United States is the only flag that stands for self-government and liberty and equality is teaching a radical falsehood."¹

¹ School Review, Vol. 7, p. 605.

There are other nations in the world besides the United States. Any system of education which denies this fact, which tends to make American children regard their own country as the only important country in the world, colors their point of view, and makes for a spirit of intolerance and bigotry that has always proved the staff and stay of the militaristic spirit.

The children are further militarized in the schools by being taught to revere military heroes. History is presented to them as though the chief occupation of the human race during the past had been a military one, when, any people—even a great military nation like Rome—devotes only a small portion of the time to actual military operations. Nevertheless, the great general is exalted; the glories of war are proclaimed, and the children grow into maturity believing that the greatest service they can perform for their country is to kill for it.

The people of the United States have devoted practically all of their time during the last 200 years to the arts of peace. Their conquest of a continent has been built on science, not on military tactics. Yet American history is so taught in the schools as to fill the children's minds with the details of war, the discussing of battles and of military exploits, without giving them even a remote idea of the important economic and social changes which far overshadowed the military activities in their importance to the American people.

Not content with these activities, directed toward what is described as "patriotic training" in the schools, the educational authorities are everywhere introducing military training among the boys, in spite of the protest voiced by the most prominent educators in the United States.

A report from the Committee on Military Education of the Department of Superintendents of the National Educational Association, presented at Kansas City, March 2, 1917, after a careful analysis of the whole subject, reviews the evidence; shows that in foreign countries military training for boys has been tried and failed; quotes Generals Wood, Goethals and Young and other leading authorities of this country as being opposed to military training for boys; refers with approval to the Special Commission on Military Education for Massachusetts (1915) and the Commission on Military Training in High Schools for New Jersey (1917); cites the experience of Massachusetts, where for many years military drill has been maintained in the schools of a number of cities with the result that "the overwhelming weight of opinion from school teachers, military experts, officers of both the regular army and the militia, and the general public is against military drill," and finally insists that "health, strength, vigor, alertness, endurance, self-reliance and self-control can be taught more effectively by a well graded course in physical training than by any other form of so-called military training." The report of the New Jersey Commission concludes that "while military drill is acknowledged to be inadequate for military purposes, advantage is claimed for it as a means of character development . . . and as a means of furnishing exercise or physical training, . . . no evidence has ever been presented which demonstrates that members of school cadet corps are better morally or more free from defects than other boys. As a sole means of physical training it is condemned almost universally by experts in that subject."

The children in the schools might be taught truly

enough that war is a social disease, vice and crime combined; that it is a disease because it disturbs the normal life of society; that it is a vice because the nations that indulge in it destroy themselves, and that it is a crime because through it one nation destroys another. The children might be taught that war is morally inexcusable, legally unnecessary and socially preventable. In order to have this point of view forced upon their attention, they might have the causes of war analyzed and explained to them just as the causes of physical disease are analyzed and explained.

The children come out of the schools with an unintelligent acceptance of war as a matter of course. Many of them come out feeling that war is a grand, fine, splendid thing. Most of them look upon war as unpreventable and therefore inevitable. They are prepared for war just as they are prepared for death and taxes.

Any nation which hopes to maintain its supremacy in the modern world, any group of people who desire to play an effective part in shaping the life of the 20th Century toward human brotherhood and social reconstruction, cannot expect to play their part by taking so shortsighted a view of the situation. The kind of emphasis now laid in the American schools upon war and military training is bad for the children and bad for the nation, nor is it of any particular value in creating the basis for successful army or military life. It is jingoistic and militaristic in the cheapest sense in which these terms may be used.

During these many years we have been deploring the fact that the German children were militarized in their cradles—were taught to love the Fatherland above all

else, and were thus made ready tools for the army camp and ready dupes for autocracy. Now, in a twinkling, we Americans have adopted the worst phases of the German system and ignored the best.

6. *Throttling Liberty*

Liberty is very dear to the American people. It is also quite commonplace.

Americans have come to look upon liberty as a matter of course, just as they regard the showers of April and the snows of December. They had forgotten that the price of liberty is eternal vigilance.

The founders of the American democracy struggled manfully for their liberty and they prized it highly. John Adams, defending the Declaration of Independence, is supposed to have said, "Live or die, survive or perish—I am for the Declaration." Then came the long bitter struggle for liberation from the despotism of George III. Woodrow Wilson, in describing that struggle, says of the American flag: "That flag was originally stained in very precious blood, blood spilt, not for any dynasty, nor for any small controversies over national advantage, but in order that a little body of three million men in America might make sure that no man was their master."¹ On the same evening he said: "America is nothing if it consists merely of each of us, it is something only if it consists of all of us, and it cannot consist of all of us unless our spirits are banded together in a common enterprise. That common enterprise is the enterprise of liberty and justice and right." A moment before he asked,

¹ Soldiers Memorial Hall, Pittsburg, January 29, 1916.

"Do you never stop to reflect just what it is that America stands for? . . . She stands as an example of independence, as an example of free institutions, and as an example of disinterested international action in the maintenance of justice."

These views, voiced so eloquently by the President, were shared by millions of his fellow-countrymen. They were reiterated and emphasized in his address to Congress on April 2, 1917, when he insisted that: "Only free peoples can hold their purpose and their honor steady to a common end." In his condemnation of the German despotism, with its schemes and intrigues, he insisted that such plots "are happily impossible where public opinion commands and insists upon full information concerning all the nation's affairs." "We shall fight," he added, "for the things which we have always carried nearest to our hearts—for democracy, for the right of those who submit to authority to have a voice in their own government."

These utterances, on April 2nd, were followed by the deluge. A little handful of men in Congress, acting, as they declared, up to their convictions in the matter, opposed administrative policy. Among them were men like LaFollette and Sherwood, who, for years, had championed the rights of the people. If these men had been traffickers in blood they could not have been subject to more savage abuse. Representatives of the people—some of them elected to Congress because their party had kept the country out of war—who persisted in opposing the war were branded as traitors, cartooned, lampooned and insulted in every conceivable way. They were pursuing their constitutional duty in scrutinizing public acts

They were, in a number of cases, obeying the direct mandate of their constituency. Yet they were villified more foully than the men who have bought and sold their country for cash in its legislative halls.

For weeks before the second of April, freedom of speech had been restricted throughout the United States. In some cities the police had prohibited regular meetings, called in private halls by reputable, responsible citizens. Street meetings had been interrupted and broken up by the police in many localities. This proved but a foretaste of what was in store for those freeborn American citizens who exercised their inalienable right to express themselves on public matters.

The chief question before the people, in those days, was the war. Despite protest meetings and petitions, the Administration seemed to be unwilling to put the question of war or peace up to popular vote.

In August, 1914, the American people lamented because the unfortunate, militarized citizens of autocratic Germany were forced into war without their consent, but in April, 1917, the citizens of democratic America were forced into war without their consent. Nor did our government have the excuse of the German government—invasion. There was ample time. A referendum might have been taken and a precedent in popular control set for the whole world—but no referendum was held.

The war was the big issue of the day. Millions of American citizens opposed America's participation in the war. The people, who had, five months previously, returned a party to power because it had kept the country out of war, now found themselves involved in a war for which their consent was never obtained. Yet the war was

forbidden as a subject of discussion all over the United States.

Freedom of assemblage was denied in numerous instances. Halls were refused to citizens when they mentioned the word "Peace." Freedom of speech was further curtailed and the whole country thrown into panic by two "administration" bills—one providing for censorship on speaking and printing; the other carrying with it conscription.

The American people were dazed. They had imagined their liberties secure. They had told themselves that their rights would be endangered only in case the Kaiser or the Mikado crossed the Seas, but in a few short weeks, free speech and freedom of assemblage—two of the basic rights of democracy—had been shamelessly denied.

Then came the fight over the Conscription Bill. Opposition developed in Congress. There were vigorous protests against it from the people in all parts of the country. The bill involved a principle contrary to that generally accepted by the American people. The volunteer system was not to be tried at all. Instead the young men of America were to be compelled to enter the army and to cross the ocean to wage a war more than four thousand miles from home. People felt that the bill would not—could not pass, but it did pass, with but a scattering handful of opposing votes.

Again the people had demanded that a referendum be taken and that they be heard. Again they had been brushed aside and the bill passed in the face of vigorous popular disapproval.

Meanwhile the police and secret service agents had

inaugurated a reign of terror. Not content with the ferocious newspaper denunciations of all who presumed to stand for peace after the American government¹ (not the American people) had engaged in the war, the government agents hounded the advocates of peace, arrested them on the slightest pretext and lent an atmosphere of militarism to American life that the people of the present generation had not thought possible.

7. Conscription

The word "conscript" has always been uttered with contempt by the people of the United States. Conscription has called to their minds kings, emperors, kaisers and czars, making wars upon one another for such petty reasons of dynastic difference or national controversy as might affect their personal, social or economic interests.

The traditions of American life have been the traditions of volunteer service. America has been democratic, and a part of that democracy is the spirit of freedom in the rendering of public service.

When the Conscription Bill came up in Congress, it was vigorously denounced by some of the most influential Representatives and Senators.

The President himself had declared only a year before that such a measure was in his estimation un-American as well as unnecessary. When he was discussing his plan

¹ "I sometimes think that it is true that no people ever went to war with another people. Governments have gone to war with one another. Peoples, so far as I remember, have not, and this is a government of the people, and this people is not going to choose war."—Woodrow Wilson (Milwaukee, Jan. 31, 1916).

for volunteer reserve forces, he said in Convention Hall, Kansas City (February 2, 1916): "There are men in Congress asking, 'Can you get the five hundred thousand men? Will they volunteer?' Well, I believe you could get them out of any one State in the Union." Two days before in Chicago, he ridiculed the idea that volunteer service might fail. "I am sorry for the sceptics who believe that the response would not be tremendous; not grudging but overwhelming in its abundant strength."

Congress rang with the conscription debate. Champ Clark on April 25th said: "If the President had, a day after the war was declared, asked Congress to authorize him to call for 500,000 volunteers, or even a million, both houses would have passed the bill in forty-eight hours and by this time we would have had thousands of volunteers in camp and in training." Mr. Clark quoted a letter, dated February 10, 1916, from the President to Secretary Garrison: "As you know, I do not at all agree with you in favoring compulsory enlistment for training." Again, on Memorial Day, May 30, 1916, the President is quoted as saying at Arlington: "I have heard a great many people talk about universal training. Universal volunteer training, with all my heart, if you wish it, but America does not wish anything but the compulsion of the spirit of America." "In the estimation of Missourians," said Mr. Clark, "there is precious little difference between the conscript and the convict."

Senator Borah opposed conscription vigorously. "Conscription is the basis of militarism. It is the beginning of the military policy of every despot. It is the last resort of a republic and has been so from the beginning of time."

After a ringing defense of the volunteer system, with which he dealt constantly during the Civil War, Congressman Isaac R. Sherwood said: "I am against conscription because it is un-American and undemocratic, and unjust to the stalwart manhood of this nation" (April 26, 1917).

Perhaps the most telling things against conscription were said by the Hon. George Huddleston (Jan. 10, 1917): "The militarists having succeeded in committing Congress to a policy of vast increase of Army and Navy, now take the next step in their program and demand conscription. . . . Conscription, as a system, is universally feared and hated. No nation has ever been willing to endure it except under the fear of destruction." Congressman Huddleston then asks: "Who favors conscription?" He answers: "The military satrapy"; "the great financiers"; "war-traffickers, munition-makers, builders of ships for the Navy, and contractors for Army supplies"; "the parasite press," and "syncophants and snobs." He adds: "I would not charge all who favor compulsory service as belonging to the classes I have denounced. No doubt many unselfish and patriotic men favor conscription, have been convinced that it is necessary; but in the main these have been misled by a false propaganda. The agitation has had its source and main-spring in the selfish and undemocratic classes. . . . Outside the classes looking for promotions and profits, the demand for conscription comes chiefly from the big taxpayers, not from the farmers, merchants, and home-owning classes, but from the big business and financial interests. . . . Our Army and Navy are chiefly desired to support a foreign policy of aggressive commercial expansion, for high financiering in the Orient and South Amer-

ica, and for the exploitation of mines and railroads among weaker and undeveloped peoples, thereby bringing us into sharp competition with the greed of European financiers." In conclusion, Congressman Huddleston said: "If there be any sound argument in favor of compulsory service, I do not know what it is. I do know that conscription is undemocratic. I know that in its inherent nature, as are all militaristic schemes, it is destructive of equality and of the rule of the whole people. It destroys men's capacity to govern themselves as well as their opportunity to exercise their will. . . . Let us not make the big mistake of surrendering our liberties in order that we may be prepared to defend them."

No effort was made to discover whether the American people favored conscription. It had not been an issue in the campaign and, although there was some talk of a referendum, like the one taken in Australia and defeated by a good majority, no serious attempt was made to consult the public.

The newspapers of the United States favored Conscription. Day by day they beat in upon the consciences of the American people and of their representatives the necessity for compulsory military service. Day by day the opposition to conscription weakened in Congress until when the roll vote was called only a handful cast their votes against the bill.

A few voices questioned the constitutionality of conscription, but they were lost in the patriotic applause from officialdom. Champ Clark, in his speech against conscription, said:

"Gentlemen, I am going to read a few words from an old document. I am not certain if I ought not to apolo-

gize for reading it at all, but, nevertheless, I am going to read it. It is The Constitution of the United States," and he asked later: "My fellow representatives, has the Constitution of the United States also become a 'mere scrap of paper'?" During the debate there were read several quotations from a famous speech made by Daniel Webster in Congress, December 9, 1814, in which he opposed the draft bill introduced at that time. He said: "After the best reflection which I have been able to bestow on the bill before you, I am of the opinion that its proposals are not warranted by any provision of the Constitution. . . . It is the attempt to exercise the power to force the free men of this country into the ranks of the army for the general purpose of war, under the color of military service." He added: "That measures of this nature should be debated at all in the counsels of a free government is a cause for dismay. The question is nothing less than whether a man's social rights or personal liberty shall be surrendered, and despotism embraced in its worst form." Later, he said: "A free government with arbitrary means to demonstrate it is a contradiction, a free government without adequate provisions for personal security is an absurdity, and a free government with the power of military conscription is a solecism, at once the most radical and abominable that ever entered into the head of man." After warning Congress that the States would protect their citizens against Federal conscription, Webster ended his speech with the statement: "If the administration has found that it cannot form an army without conscription it will find, if it ventures on this experiment, that it cannot enforce conscription without an army. The government was not constituted for

such purposes. Framed, in the spirit of liberty and in the love of peace, it has no powers which render it able to enforce such laws. The attempt, if we make it, will fail, and, having already thrown away our peace, we may thereby throw away our government."

There were stories of bitter opposition to the final passage of the Conscription Bill. It had required two years to put over conscription in England; the proposal had gone down to defeat in Australia; the authorities had not yet risked it in Canada, yet in the great American Democracy, priding itself upon its liberty, the bill was finally passed on May 18, six weeks after the declaration of war. The victory of the militarists at home was overwhelming and complete.

8. *Fear and Hate!*

War is built of fear and cemented with hate. Love of family, love of friends, love of country are incidental. Fear and hate are absolutely necessary to militarism.

Love is as potent a force as hate—more potent in the long run, because it is more constructive. Hate poisons, rends, crushes, annihilates. Human society, human progress, and human achievement are built upon love.

Love expands the human soul. Hate narrows and embitters it.

Love and hate are two opposite human qualities. All people are capable of both loving and hating. Militarism is based on the idea that people should be taught to hate.

People do not naturally hate one another. Man is a social animal. Yet, through the ages, the masters of the world have used hate to fasten the shackles of their

power on the human race. In order to stimulate hate, they have resorted, uniformly, to fear—the fear of hell, the fear of slavery, the fear of hunger, the fear of all things new and strange. Had men been enlightened; had their minds been trained and their souls freed from bigotry and prejudice, had they been permitted to safeguard themselves against hunger, they would have refused to fear and the exploiting powers of the masters would have been lost. Despotism, vested wrong, and every form of injustice thrives on hate. Therefore, hate has been taught as nothing else has ever been taught in the world, and upon it militarism has built its fortresses.

People have been schooled to look upon “frightfulness” as a German vice. They talk as though other nations wore kid gloves at the war-game. As a matter of fact, all wars have been frightful.

Recall the words attributed to some of our greatest Americans:

George Washington—“War is the plague of mankind.”

Thomas Jefferson—“I abhor war.”

General Sheridan—“War is so irrational and destructive that it will eliminate itself.”

John Hay—“The most ferocious and futile of human follies.”

General Sherman—“War is Hell.”

This war, we are told, is to protect the democracy of England against the autocracy of Germany. We have heard, time and again, that the Germans believe in “frightfulness,” but how many of us have read these tuskgnashings from leading military authorities of England:

Major Stuart Murray—“The worst of errors in war is a mistaken spirit of benevolence.”

Dr. Miller Maguire—"The proper strategy consists, in the first place, in inflicting as terrible blows as possible upon the enemy's army and then in causing the inhabitants so much suffering that they must long for peace and force their government to demand it."¹

When Great Britain closed the North Sea to commerce and sowed it with mines, with the avowed intention of preventing the importation of foodstuffs and thus starving seventy millions of German people into submission, she was carrying out the true spirit of the war business.

When Germany announced her submarine blockade and began her general submarine warfare on commerce for the avowed intention of starving forty-five millions of British people she was carrying out the true spirit of the war business.

Mr. Morel (p. 61) quotes an interview which W. T. Stead had in 1910 with the head of the British Navy: "The humanizing of war! You might as well talk of humanizing hell! If I am in command when war breaks out, I shall issue as my orders: 'The essence of war is violence. Moderation in war is imbecility. Hit first, hit hard, and hit anywhere.'"

The purpose of war is destruction. Militarism leads to the preparations necessary for the destructive activities of war. The more complete the preparation, the more thoroughgoing will be the destruction.

Without hate, destruction is impossible. If all men loved their fellows, they would not spoil their crops, burn their homes, starve their children, ravish their women,

¹ E. D. Morel: *Truth and the War*, London National Labor Press, 1916, p. 62.

wipe out their towns and cities, and rip them into shreds with every device which the wonderful ingenuity of man has brought to play in the manufacture of the engines of war. Men who truly loved could have no part in the bloody havoc of Europe's shambles.

Men's minds must be worked on before they will fight. They must be taken as little children in the schools and taught that war is necessary, glorious and right, if it be waged against a hated enemy. Then the training camp must take all of the boys who reach a certain age and prepare them to "get their man" with the rifle, the machine-gun, and the bayonet. When, finally, a war is to be "put over," the newspapers must play up the iniquities of the enemy and the virtue of the friend; preachers, teachers, and men in public life must praise war, plead, exhort, and even command. Finally, the administration must pass a bill providing for conscription, and force the people into the trenches—calling those who hold back "slackers" and other derisive names.

The whole thing is so far from the spirit of America—this doctrine of fear and of hate, without which wars would be impossible. The American people have advanced so far beyond the savage spirit that leads one man to slaughter another, that the war game can be played here only after a vast amount of careful stimulation.

So evident was this spirit in American life that President Wilson commented upon it frequently. He declared his astonishment that anyone should be preaching war throughout the country: "There are actually men in America who are preaching war, who are preaching the duty of the United States to do what it would never do before, seeking entanglement in the controversies which

have arisen on the other side of the water—abandon its traditional and habitual policy and deliberately engage in the conflict which is now engulfing the rest of the world. I do not know what the standard of citizenship of these gentlemen may be. I only know that I cannot subscribe to those standards.”¹

The President saw clearly, at that time, that the American people were not anxious for war and were unwilling to engage in it. “The spirit of America would hold any Executive back, would hold any Congress back, from any action that had the least taint of aggression upon it. We are not going to invade any nation’s territory.”¹ “This war was brought on by rulers, not by the people; and I thank God that there is no man in America who has the authority to bring war on without the consent of the people.”² Nevertheless, the American people are now at war.

Balzac says that in man the brute ends and the angel begins. The war-mongers depend upon stirring up the brute. They cry their fears; they peddle their hate. They strive, by every means at their disposal, to play upon the more primitive and savage of the human instincts. They thrust the angel aside; they rip off the thin covering that centuries of civilization have been able to lay over the brute, and the brute reigns, supreme.

“The essence of war is violence. Moderation in war is imbecility. Hit first, hit hard and hit anywhere.”

¹ Des Moines, Iowa, Feb. 1, 1916.

¹ Topeka, Kas., Feb. 2, 1916.

² Chicago, Jan. 31, 1916.

9. *The Love of Comrades*

The militarist rears his soul-crushing structure upon hate and fear. In the name of patriotism, or, perchance, even of democracy, he calls upon his fellows to strike, maim, kill, destroy. How, then, can he who subscribes to the doctrine "Liberty, Equality, Fraternity" make a good soldier?

Let us have done with hate and fear! The world is too old; humanity is too wise; we have gone too far; we have experienced too much to turn back. All through the ages, it has been tried—this attempt to overcome evil with evil. All through the ages it has been tried—this insane effort of one man to compel a fellow being to see life his way. And all through the ages the effort has proved a failure.

The greatest thing that you can do for people is to set them free—to free their bodies from hunger; to free their minds from ignorance; to free their souls from bigotry and hate. He who helps to liberate a fellowman performs the truest act of brotherhood, for by so doing he places before his brother the opportunity to have a well-made body, an enlightened mind and a soul eager to embrace the glad, radiant, beautiful message of the life-spirit.

There are two things in life that matter profoundly—one is the soul of your fellow; the other is the soul that is in you. Guard sacredly the spirit of brotherhood; thrust aside all things that tempt you to be less than yourself!

The present crisis will pass—but the fraternity of the human race and the intimate spirit of life that abounds in

all of us, endures forever. It is from that source that the great society of the future must spring—no other source is sufficient because no other is truly constructive. No other will link together the different portions of the human race into indissoluble, human society.

Walt Whitman, in one of his finest passages, looks ahead to the great day in the history of the world when the real things of life will be understood:

"I hear it was charged against me that I sought to destroy institutions;

But really I am neither for nor against institutions;

(What indeed have I in common with them?—

Or what with the destruction of them?)

Only I will establish in the Manhattan, and in every city of these States, inland and seaboard,

And in the fields and woods, and above every keel, little or large, that dents the water,

Without edifices, or rules, or trustees, or any argument,

The institution of the dear love of comrades."¹

The verdict of history is unmistakable. Militarism in every form has been tried and tried again. Force, might, power, violence, and coercion have overthrown nations and empires, devastated whole sections of the earth's surface and made human life next to impossible, but they have never built an enduring social structure.²

¹ Walt Whitman: "Leaves of Grass.

² "If men do not love one another, they cannot love peace. If men are intolerant of one another they will be intolerant of the processes of peace, which are the processes of accommodation. 'Live and let live' is a very homely phrase, and yet it is at the basis of social existence."—Woodrow Wilson (Aeolian Hall, New York, Jan. 27, 1916).

No nation has ever survived militarism. In modern times the nations of the West have followed each other in rapid succession. Assyria, Babylonia, Egypt, Greece, Macedonia, Carthage, Rome, the Italian cities, Spain, Holland, France, Great Britain—one by one they have risen to power built on conquest and one by one disorder, violence, parasitism and decay have overtaken them. Rome, at the height of her power was the richest, and perhaps the best organized of any empire about which we have a record, but at the height of her "preparedness" when she was richest, and apparently most powerful, her civilization fell to pieces like a broken card-house.

At the longest, Rome's supremacy cannot be said to have lasted over six hundred years. Meanwhile the civilization of the Chinese has lasted for perhaps six thousand years. China has never been a military nation. She has preached peace and practiced it. It was not until we went among them and taught them military science in the name of the meek and peace-loving Jesus that these "heathen" ever had a standing army. Yet century after century their civilization endured while the military nations of the west rose and fell.

An individual will die of fear and hate. Nations do the same thing.

Society will be successful only as we build "the institution of the dear love of comrades." No home, no neighborhood, no city and no nation can endure without it.

³ "There must be, not a balance of power, but a community of power; not organized rivalries, but an organized common peace."

"It must be a peace without victory."—Woodrow Wilson (Address to the Senate, Jan. 22, 1917).

Permanent society cannot be constructed on any other basis, because on no other basis will people ever live and labor and build together an enduring home for the human race.

10. *Democracy's Answer to Militarism*

The love of comrades is the basis of democracy. Liberty and justice have their foundation in brotherhood. It is for that reason that democracy has always opposed militarism. It is for that reason that militarism has always destroyed democracy.

Time and again efforts have been made to establish democracies, and time and again a little coterie of ambitious power-seekers have gutted democracy with the sword. And mark you, this attack has come not from without, but from within.

The spirit of democracy will not tolerate the presence of militarism. The true democrat resents it with all of the energy at his command.

Particularly in American life has this opposition to despotic, arbitrary authority showed itself at every turn. The American people, from the very beginning, have cried aloud to the world the glad tidings of liberty, justice, popular sovereignty and equal opportunity.

Instantly they have opposed any show of false authority. Their whole past protests against the despot.

Woodrow Wilson has pointed out this fact in striking language: "We have seen a good many singular things happen recently. We have been told that it is unpatriotic to criticise public action. Well, if it is, then there is a deep disgrace resting upon the origin of this nation. This

nation originated in the sharpest sort of criticism of public policy. We originated, to put it in the vernacular, in a kick, and if it be unpatriotic to kick, why, then the grown man is unlike the child. We have forgotten the very principles of our origin, if we have forgotten how to object, how to resist, how to agitate, how to pull down and build up, even to the extent of revolutionary practices if it be necessary to readjust matters. I have forgotten my history if that be not true history.”¹ This is true history, and the American people know it, not through recent experience, but because it has been bred into them by long years of constant reiteration.

The answer of democracy to militarism must be clear, emphatic and absolutely final. Whatever its form, we will have none of it.

As an American citizen, who has given time and thought to the question of militarism, I should like to address this statement to the President of the United States:

1. You have said—“I have come to have a great and wholesome respect for the facts.”

The facts about militarism are conclusive. Always it destroys democracy, and the experience of the United States during the past three years indicates that we have moved at break-neck speed toward militarism.

2. You have said—“If there is one thing that we love more deeply than another in the United States, it is that every man should have the privilege, unmolested

¹ School Review, Vol. 7, pp. 602-3.

and uncriticised, to utter the real convictions of his mind."

During the past three years, both in Congress and among the people, there has developed a spirit of intolerance that threatens the very foundations of democracy. Free speech and the right of free assemblage have been denied. Congress, by passing the Conscription Bill, interfered, directly with free opinion. The situation has ripened until those who are even known to hold convictions contrary to the viewpoint of the ruling powers are outlawed and those who utter such convictions are treated like public enemies.

3. You stated it as your conviction that "The weakness of American character is that there are so few growlers and kickers amongst us."

You may be certain that in the immediate future you will find little or no cause for complaint on this head. There has been comparatively little growling and kicking in the United States. Citizens have been satisfied and easy-going. They have taken their liberties for granted, believing that they were secure against any possible invasion, except from across the sea. The events of the past few months have undeceived them. The spirit of easy-going complacency has been replaced by a feeling, first of surprise, wonder, and then of fierce resentment. The nation is aroused. The people see, at their very doors, the savage form of that militarism which they have learned to hate as it revealed itself in the guise of Prussianism. The

past few years have produced a goodly quota of growlers and kickers and the next few will create many more.

4. You say—"One thing this country never will endure is a system that can be called militarism."

You are right. No display of military force, no invasion of public rights by the military authority, no infringement of the standards of democracy from any source will be tolerated by the American people. They will not endure militarism. They will not bow to military sway. No show of force will intimidate them and no resort to violence will stay them. The American people are bound to preserve liberty and in order to do this they must outlaw militarism.

5. You need not fear for the American people. We have not forgotten "the principles of our origin." We have not forgotten "how to object, how to resist, how to agitate, how to pull down and build up, even to the extent of revolutionary practices if it be necessary to readjust matters."

What is more, we propose to readjust matters and we call upon you as the representative of the American people, and as their chief executive, to use your power and authority to conserve American liberty. You know better perhaps than any other great American what the spirit of American life means. You stated its purpose with rare ability when you said, "If there is one passion more deep-seated in the hearts of our fellow countrymen than

another, it is the passion for peace. No nation in the world ever more instinctively turned away from the thought of war than this nation to which we belong. . . . I myself share to the bottom of my heart that profound love for peace.”¹ And again, “In all of the belligerent countries, men without distinction of party have drawn together to accomplish a successful prosecution of war. Is it not a more difficult and a more desirable thing that all Americans put party prepossessions aside and draw themselves together for a successful prosecution of peace? I covet that distinction for America; and I believe that America is going to enjoy that distinction.”

The prosecution of peace is no simple matter. It involves first of all a desire to avoid war. In the second place, it involves a thorough understanding of the causes of war. In the third place, it involves the building up of a system of organization which will prevent these causes from operating as they have operated in the past.

The desire to prevent war exists everywhere in the world. As President Wilson has suggested on so many occasions, peoples do not make war. Governments are responsible for international conflict and behind the governments lie the forces of economic life. “Adventure, lust for gold, etc., are the fires in the engine of war, but the great financial interests direct the engine.”¹

¹ Dinner of the Railway Business Association (Waldorf-Astoria, New York, Jan. 27, 1917).

¹ J. A. Hobson: “Imperialism,” p. 65.

Behind modern wars lies the predatory power of vested interest and plutocratic authority against which the American people must wage their fight for liberty.

The United States is not threatened from without. The President has reminded us that we need not fear invasion, but the pressure of financial imperialism, the war mongers and their adherents, the love of aggrandizement, the lust for power, and the immense financial returns from the building up of armaments and the prosecution of successful wars all lead to the plutocratic oligarchy which controls the United States toward militarism.

We, the people of the United States, will not endure the tyrannies that militarism has imposed on the old world, and we call upon the President of the United States, and upon all of the other public servants, to use the authority with which we have endowed them to ward off the impending menace of militarism. Mr. President:

1. We demand that you consult and trust the people.

We do not know your advisers. They may be very wise. We do know our own hearts—in them there are deep, firm-set convictions. We have always listened to your words—confidently, eagerly, because they have sounded like the words of a democrat. Now we are at the testing time. If this is a democracy, we demand the right to be heard. You said that peoples never go to war. Is that the reason why we were denied a referendum on the war with Germany? If the people could vote on conscription in democratic Australia, why were they not given an opportunity to do the

same thing in democratic America? We demand that in future, when a vital public issue, like a declaration of war or conscription comes before you, that you consult the people and trust in their judgment. They are wisest, Mr. President, and, besides, this is a government of the people and by them.

2. Six-sevenths of all the people in the industrial sections of the United States are wage-earners and clerks, Mr. President. They are the vast majority. They are the people.

Find out what they think. You speak to chambers of commerce, bankers and business men. Some day, Mr. President, tour the country speaking only to men with rough, hard hands, or with union cards in their pockets. Those people did not want this war. If you had spoken to them on your famous tour of January, 1916, you would have learned that. The people never want war. You have said so many times. Consult the people, the common people, who carry the burden of the world upon their backs. They know, Mr. President. Life speaks to them in unmistakable language.

3. We ask you, Mr. President, not to take the newspapers seriously.

Perhaps you do not. We have no means of knowing. The papers reflect the point of view of the business world—not of the people. They do not deceive us, and we do not think what they tell us to think.

4. Keep the light turned on, Mr. President. Tell us what is happening.

We are pathetically ignorant—but very anxious. We see the prices of necessary things far above our reach. We see our boys sailing for France—many of them never to return. We see the power of the masters growing greater as our liberties slip away from us. We do not understand—yet. But we do want to know.

5. We hear about secret diplomacy in Europe. Are the cards of our diplomacy on the table?

Did Wall Street have a hand in pulling us into this war? You told us that the big business men were trying to involve us in war with Mexico in 1916. Was the same thing true here? Are we, later, to be forced into a war with Japan? Piti-
less publicity, Mr. President! We insist upon it! We demand it as our right. If this is to be a democracy, the people must rule. They cannot rule wisely unless they know, and they cannot know about national affairs unless you tell them.

6. We fear the Army and the Navy, Mr. President.

They may be a terror to the enemy, but history shows that they are even more terrible to the people that support them. Do not listen to the generals and the admirals except in matters of military detail. They do not represent us, and we fear them and their professional killing business.

7. You speak a great deal about democracy, Mr. President. Do you really mean it?

Do you mean that you favor equal opportunity—economic as well as political? Do you mean that you believe that all public business—industrial as well as political—should be run by the people? If you do believe in a complete democracy for the American people, we call upon you to use your great power in overthrowing special privilege—the most ferocious and dreaded enemy of the American democracy.

8. We are yearning toward a great future, Mr. President, and we need your help.

Make your high office serve the interests of the people. Help us to protect ourselves against the plutocratic oligarchy that has such a grip on the country. Help us to make brotherhood a reality and democracy a power in the world. This is a call from the common people of America and of the world, Mr. President. Are you great enough to hear, and strong enough to answer?

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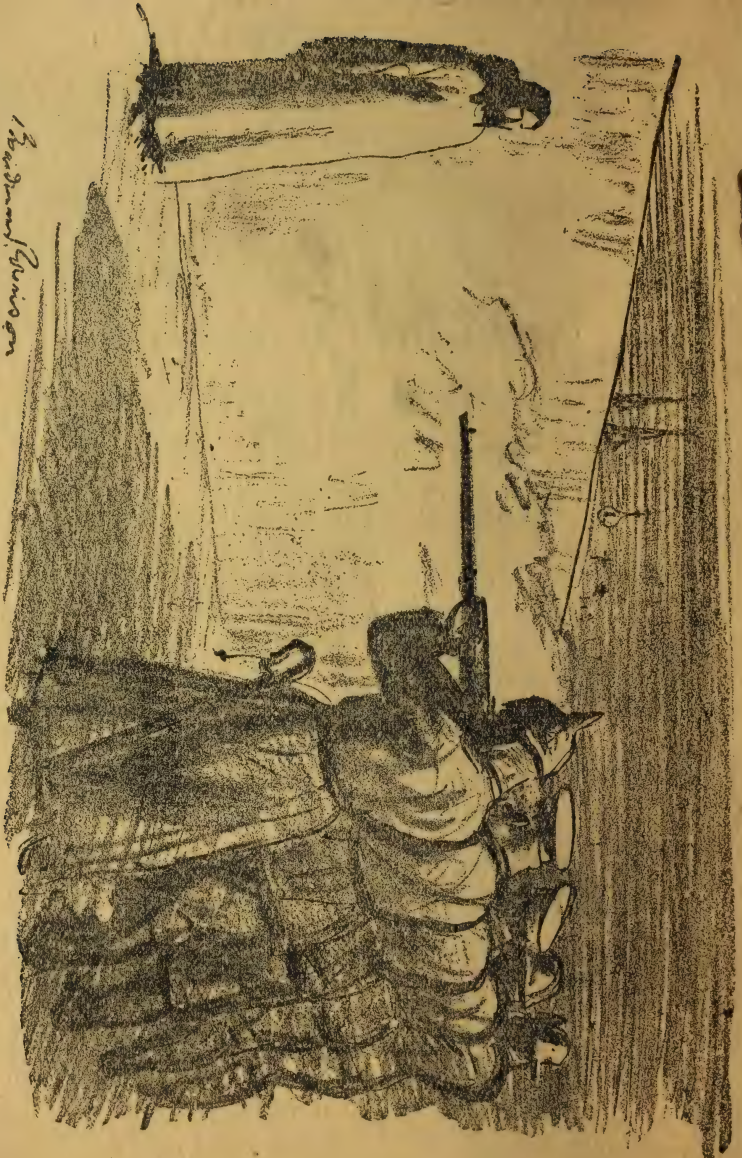
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Contents

I. Starvation becomes a practical question.

II. Mass Starvation in the centres of capitalism.

1. The growth of capitalist production.
2. The growth of population.
3. Unemployment.
4. Capitalist expansion; population increase; mass starvation.

III. Capitalist expansion.

1. The role of the machine.
2. The machine owners take power.
3. Building the home structure of capitalism.
4. Building the foreign structure of capitalism.
5. Political expansion.
6. Building a military machine.
7. The demand for man power.

IV. The tide turns.

1. The limits of competition.
2. Internal competition and monopoly.
3. International competition and war.
4. Waves of revolutionary protest.

V. The decline of capitalism.

1. The forces behind capitalist decline.
2. The retrenchment scramble.
3. Retrenchment cuts the demand for workers.
4. Those who must starve.
5. Facing a grim reality.

VI. It is never too late.

1. Stop trusting the ruling class.
2. Organize a militant labor movement.
3. Build socialism.

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MUST WE STARVE ?

I. STARVATION BECOMES A PRACTICAL QUESTION.

Twenty years ago the question "Must we starve?" would have been met by laughter among the people living in western Europe and the United States. "Starve?" they would have answered. "Don't talk nonsense. Look at the wheat fields, the grain elevators, the railroads, the warehouses. With diversified agriculture, machine production, locomotives, gas engines, refrigerator cars, cold storage and wholesale canning and preserving why should anyone starve?"

The war taught some grim lessons in starvation. These were generally laid at the door of war emergency. Once the war was over, so the argument ran, the war-time difficulties would all be smoothed out and the world would again enjoy prosperity.

Peace did not bring the expected prosperity, except in a few places and for a few industries. Instead hunger menaced the western world. Its greatest intensity was felt in the years immediately following 1929. The resources of private charity were exhausted; public funds were appropriated and public credit was used to meet the day to day need of the hungry millions.

This rising tide of starvation bears no relation to wheat fields, grain elevators, machine tools, locomotives, tractors, refrigerator cars, canning factories and other means of production and distribution. These agencies are all far more efficient than they were twenty years ago. It is an aspect of unemployment, of part-time work, of wage and salary cuts, and of the decreased incomes of the farmers. It is the direct result of the increasing gulf between producing power and purchasing power. Millions face starvation because their entire incomes will not buy the simplest necessities of life.

Mass starvation has become a practical question in every important centre of the capitalist world. It is discussed by the business men, in the press, in parliaments and in cabinets. It breaks out in hunger marches and bread riots. Thus far no one of the principal countries has found any answer except through private or public charity, which does not eliminate starvation but merely covers up some of its more disagreeable aspects.

Most people look upon mass starvation as a phase of the economic crisis that will disappear with the return to normal, prosperous times. For those who are not hungry, this is a comfortable way of dodging the issue. But it is far from realistic.

Day after day facts are piling up which make it more and more unlikely that the capitalist world will ever again reach the level of pre-war prosperity and security. These same facts point unmistakably to the conclusion that mass hunger has come to stay.

The issue is vital. If prosperity will return in the ordinary course of events, it is possible to make the best of a hard situation, and to meet a year or two of mass starvation with temporary expedients. If, however, mass starvation has become a permanent aspect of capitalism, temporary measures are worse than useless, since they hide the real issues and postpone the adoption of effective measures.

II. MASS STARVATION IN THE CENTRES OF CAPITALISM

The first and one of the most significant facts connected with the hunger problem is that mass starvation centres in just those countries where there has been the greatest development of capitalism. The United States for instance, is by common consent the outstanding example of capitalist development. It is the richest among the nations; it has the largest organization of machine industry and is at the same time able to provide most of its necessary foods and raw materials. Yet the United States has a larger number of wholly unemployed and of part-time workers than any other capitalist country, and mass starvation among soft coal miners, textile workers, machine shop workers and cotton farmers has reached the proportions of a catastrophe. Germany and Great Britain, which rank as numbers two and three in the extent of capitalist development also rank as numbers two and three in the extent of unemployment. Evidently the greater and more advanced the capitalist development, the greater the probability of mass starvation.

1. The growth of capitalist production.

Capitalist production has grown variously in different countries. Great Britain was the scene of its earliest development. From there it spread to the European Continent and to North America. Later it extended into Australia, Asia, Latin America and Africa. Three of the most important means of capitalist expansion are

iron production, coal production and railway mileage. Iron is the chief metal, coal is the chief fuel and railways are the chief means of transport on which capitalist expansion has depended.

Pig iron production grew rapidly through the nineteenth century. The world total was 800,000 tons in 1800, 4,700,000 tons in 1850 and 40,400,000 tons in 1900. This increase was unevenly distributed, however. Until the last quarter of the century Britain held the field, producing, in 1875, 6 million tons compared with 2 million tons each for Germany and the United States, her two chief producing rivals. By 1900, however, the figures stood: Britain, 8 million tons; Germany, 8 million tons; United States 13 million tons. A number of other countries such as France, Belgium, Japan and Russia had also begun producing pig iron on a large scale. The great rush of production increase took place at the end of the century. Pig iron production was sixfold greater in 1850 than it had been in 1800, and ninefold greater in 1900 than it had been in 1850.

The same general development took place in the case of world coal production, which stood at 11.6 million tons in 1800; 81.4 million tons in 1850 and 800 million tons in 1900. Again, as in the case of pig iron production, Britain commanded the field during the early years. As lately as 1875 she produced more coal than all of her rivals combined. During the next few years, however, the United States became the world's leading coal producer with Germany a good third.

Railways were non-existent before 1850. Total world mileage in that year was 23,300 miles. By 1900 this figure had risen to 452,000 miles. Britain built more than three quarters of her 1900 railroad mileage before 1870. Germany built less than a third of her 1900 mileage before that year. Nearly three-quarters of all United States 1900 railway mileage was built after 1870. During the half century between 1850 and 1900 every important capitalist country carried out an immense program of railroad construction.

Pig iron production, coal production and railroad construction are symbols of the growth of capitalist production. All three show a greater development in the second half than they do in the first half of the nineteenth century.

Capitalist expansion centred in Great Britain, Germany, the United States and Japan. Two of these countries were in Europe, one in North America, the fourth in Asia. Among them, they and their widening capitalist interests girdled the globe.

2. The growth of population.

The centres of rapid growth in capitalist production have also

been the centres of rapid growth in population. Great Britain provides a significant example. The population of Great Britain increased only 6.6 per cent in the half century from 1701 to 1751 (6.12 million to 6.53 million). In 1751 the system of machine industry was in its infancy. In the next half century, that is, up to 1801, population increased 36 per cent, to 8.89 million. During the next forty years, the era of capitalist construction inside the British Isles, population rose to 15.91 million, an increase of 79 per cent, and during the next sixty years, the years of British imperial expansion, British population rose to 32.52 million in 1901,—an increase of 104 per cent.

The growth of population in Japan is almost equally spectacular. Through 400 years of its pre-industrial life the Japanese population was stabilized at about 25 million. The industrialization of Japan began very late,—after 1860. In 1872 the Japanese population numbered 33.11 million. Forty years later, in 1910, it numbered 51.74 million. That is, it has doubled since 1860 and has increased 56 per cent since 1872.

The population of Prussia (the largest single built unit in the German Empire) increased from 9.97 million in 1804 to 16.93 million in 1852, or 70 per cent. Between 1852 and 1910, however, the population increased to 40.16 million, or 137 per cent in 60 years. During the interval there was an increase in the area of Prussia from 313,326 to 348,780 square kilometers. Between 1871 and 1910 the area of the German Empire in Europe remained constant. Population rose, however, from 41.05 million to 64.92 million.

The most extreme instance of population growth, however, appears in the United States where natural increase and immigration combined to expand the population at a prodigious rate. Bogart estimates the population of the American colonies in 1743 at one million. By 1770 this had increased to two million. The census of 1790 showed a population of 3.92 million. By 1810, with the beginning of machine industry, United States population had increased to 7.23 million. Forty years later, in 1850, it was three times the 1810 figure. By 1870 it was five times the 1810 figure. In 1900 the population of the United States was three times that of 1850 and almost fifteen times that of 1800.

These four chief centres of capitalism,—Great Britain, Japan, Germany and the United States, had a combined population in 1750 of roughly 40 million people. In 1800 the total had risen to 55 million. In 1850 it had increased to 90 million and in 1900 it stood at 205 million,—a figure that was five times the population of 1750 and four times that of 1800.

3. Unemployment.

The centres of increased production and of population growth are also the centres of unemployment and part-time work. During the winter of 1930-31, League of Nations' estimates placed the total of world unemployment at from 15 to 17 million. Of this total 5 to 6 million were in the United States; 3 to 4 million were in Germany; 2 to 3 million were in Great Britain and about one million was in Japan. About **two-thirds** of the world's unemployed total were therefore concentrated in the four chief industrial countries, which together had less than one-sixth of the world's total population.

During the next year unemployment distributed itself more widely into the unindustrialized areas. Nevertheless, during the winter 1931-32, when the world's total of wholly unemployed exceeded 30 million, there were 9 to 10 million unemployed in the United States; 6 to 7 million in Germany; 3 to 4 million in Great Britain and one to 2 million in Japan, so that well above half of the world's unemployed were in the four chief capitalist countries with a combined population of less than a sixth of the world's population.

4. Capitalist expansion; population increase; mass starvation.

A direct connection exists between the expansion of capitalism, the rapid growth of population in capitalist countries, and mass starvation. Great Britain, the United States, Germany and Japan are the outstanding examples of expanding production, of population increase and of mass starvation. So striking is the relation between the three factors that in the absence of any other evidence it would be reasonable to conclude that the three went together. There is no need for hasty generalization, however. Economic history provides a wealth of information which shows that the observations regarding the relation between capitalist production, population increase and mass starvation in four of the chief capitalist countries are true on a much wider scale. The history of capitalism in each country where it has developed largely, and the history for the capitalist system as a whole, follows a clearly marked line. First there is a period of expansion. At a certain point this expansion is checked. Finally it gives way to a period of contraction.

These statements do not apply to the short business cycle or to the longer price cycle. They refer to capitalism as a system. Like every other social system, capitalism passes through a cycle of expansion and contraction,—of rise and decline. The growth of mass hunger corresponds to the period of capitalist decline.

III. CAPITALIST EXPANSION

Capitalist expansion was based upon the system of technology that grew up about the machine. For its psychological driving force it relied upon the competitive struggle for wealth and power.

1. The role of the machine.

The feudal control of agriculture and the prevalent system of handcraft industry, organized under a guild system, were rudely shaken out of their comparative stability by the introduction of machinery. Neither on the land nor in the workshop could the masses successfully resist the triumphant march of steam and steel.

The earliest machines were used in the textile industry. From there, however, machine production spread rapidly. New methods of steel making and the constant improvement in the steam engine pushed machinery into various phases of manufacturing, into transport, into agriculture, and finally into mining. The combination of steel and steam provided a new technique of production, and thus laid the economic foundation on which the superstructure of capitalist institutions was to be built.

The first task of capitalism was to replace handcraft industry with machine industry. The second task was to sweep aside the superstructure of feudal handcraft society and to replace it with the superstructure of capitalism.

2. The machine owners take power.

Very early in the struggle it became evident that power in the new economic system would centre about the ownership of the machine just as power under feudalism had centred about the ownership of the land.

Handcraft workers had worked very generally in their own homes with tools and raw materials which belonged to them. They had therefore owned their workplaces, their tools and their product. Economically, the master craftsman could decide policy in the small shop over which he presided. With the coming of the machine and of factory industry the ownership of the workplace and of the product necessarily went with the ownership of the machine. The machine owner became the arbiter of economic life.

The hand worker who went into a factory gave up the ownership of workplace, tools and product. Thus stripped economically,

he retained nothing but his labor power, and that he was forced to sell in the open market in competition with his fellow workers.

At the same time that the workers lost control of their source of income,—their tools and other products,—they were forced to assume heavy fixed charges. Handcrafts were carried on in villages. Factories necessitated cities, with their high rents and other living costs expressed in money terms. The village worker had his plot of ground. If his wares did not sell he could fall back on his cabbage, chickens, pig and cow. The city worker was at the mercy of economic circumstances over which he had no control. So long as the machine owner would rent him a job he could live. If he lost his job he starved.

The rapid expansion of capitalist production during the nineteenth century increased the numbers of wage workers whose chance to live depended upon their finding and keeping a job. Here was the basis of mass hunger. The workers were cut off from any means of economic self-dependence. If, for any reason, jobs grew scarce, the unfortunates who made up the surplus of workers were evicted for lack of rent-money and found themselves and their families in the breadline.

The masses of workers under capitalism are wholly at the mercy of the system. So long as the system succeeds they may find jobs and earn a living. Whenever anything occurs to interfere with the working of the system, they and their dependents starve.

3. Building the home structure of capitalism.

During the early stages of capitalist development the masses were able to get work. To be sure, their wages were so low that in the textile and other industries man, wife and children were forced to go into the factory in order to make the family living, still there was work for those who could do it, and there were slums for those who desired a dwelling place.

First in Britain, then in Western Europe, and still later in North America and Asia, the process of building capitalism was begun. The construction of capitalism called for an immense amount of man power. Handcraft industry required a shed and a few hand tools. Steam and steel demanded factories, railroads, mines, and cities on a huge scale. These must be built in every country that passed into the capitalist stage of economy.

The foundation of capitalist construction was laid in the heavy industries,—mining, iron and steel, chemicals, machine manufacturing, power production. It was here that capitalism built the looms, presses, lathes, locomotives and bridges which were necessary to

produce textiles, boots and shoes, and hardware, and to carry the raw materials, food, and finished goods.

The light industries used the machines, the power and the material provided by the heavy industries to make the food, clothing and utensils. In these light industry factories necessities, comforts, luxuries and superfluities were produced for the home market and for the foreign market.

Linking together the heavy and light industries were the public utilities,—railroads, telegraphs, telephones. Through them transport and communication were maintained.

Finally, in the building of the home structure of capitalism, there were the houses, stores, garages, gas works, sewer and water systems that must be constructed in order to make mass living possible. The industrial city is one of the most typical products of the capitalist order.

Heavy machine industries, light machine industries, public utilities and facilities for mass living were practically non-existent in 1750. The world's population lived almost entirely in villages and small towns. More than nine out of every ten gained their living directly from the soil. Between 1750 and 1900, therefore, the entire physical structure of British, German and Japanese capitalism had to be constructed. On the prairies of North America there were not even villages with which to begin.

The new social system was built from the ground up. The construction of the physical plant needed by capitalism employed tens of millions of workers through a century and a half of capitalist expansion. The very large surplus or profit turned out by machine industry took form in the factories, railroads, office buildings and dwelling houses of the industrial centres.

4. Building the foreign structure of capitalism.

Capitalist expansion did not stop at the political frontiers of Britain, Germany and the other capitalist states. On the contrary it speedily extended into those foreign fields that offered markets for goods or for surplus, or that promised to supply the foods and raw materials needed by the home country.

Steam, steel and electricity provided quick and effective means of reaching those parts of the world that were still economically undeveloped. Capitalism, in its early stages, was confined to a very small area in Western Europe and North America. From there it spread, by means of its shipping and communication facilities, into the undeveloped territories of the Americas, Asia, Africa and Australia.

The development of colonial areas followed much the same lines as that of the homeland. Wharves, warehouses, railroads, telegraph and telephone stations usually opened the colony for development. Plantations, mills and mines were established and equipped. Light industries were organized and in a few instances,—notably in North America, Japan and Australia,—heavy industries were also constructed. The equipment and machinery necessary to carry on this construction work in the colonies came largely from the home country. Likewise, the capital required to finance the undertaking was to a great degree home-country capital.

While there were undeveloped areas worth developing the expansion of capitalism could go on, so long as the foods and raw materials exported from the colonies were sufficient to pay for: (1) their manufactured consumption goods from the homeland; (2) their equipment and machinery from the homeland, and (3) their interest on the borrowings from the homeland.

All through the nineteenth century and up to the War of 1914 capitalist expansion into the colonies continued. It employed an army of workers in the homeland. It intensified the demand for labor or in the undeveloped areas and led to great migration from Europe into the Americas and Australia.

5. Political expansion.

The economic expansion of capitalism was necessarily accompanied by political expansion, since it was necessary to exercise some measure of control over markets, trade routes, mineral revenues, food areas and investments. When the Napoleonic Wars ended in 1815, Australia, Asia, Africa and the Americas were still largely unexplored and were inhabited by native peoples. When the War of 1914 began, almost exactly a century later, the entire area of these continents was either settled by Europeans or else it was under their political control. Within a hundred years the capitalist nations had conquered the world with the steamboat, the locomotive, machine tools and high explosives.

Most of this political expansion took place after 1860. Lenz, in his *Macht und Wirtschaft* (p. 68) shows that the British Empire increased its square mileage from 4,600,000 in 1862 to 10,800,000 in 1912; the French Empire from 400,000 in 1862 to 4,800,000 in 1912; the German Empire from 240,000 in 1862 to 1,200,000 in 1912; and the American Empire from 1,500,000 in 1862 to 3,700,000 in 1912.

Political expansion gave employment to an army of civil servants whose duty it was to maintain the connection between the homeland and the colonies. During periods of rapid expansion

into new territory the numbers of persons engaged in military operations might also be considerable. Then, too, there were the garrisons which the homeland maintained in the colonial areas.

Political expansion, like economic expansion, called for a constant increase in man power. Always there was a shortage of the human material which is so indispensable in empire building.

6. Building a military machine.

Military expansion was one phase of the expansion of capitalism. In the last analysis the power to take a colony or to hold it against rivals lay in the strength of the military arm. Consequently the period of rapid economic and political expansion was a period of extensive military preparation. The machine played a leading role in the military preparations of capitalist empires. Steel, steam, gas, electricity and dynamite made it very easy for the industrial centres to overcome colonial resistance. They also made a very large market for the products of arsenals, navy yards and the like. Millions of people were required to man and supply the armies and navies and to equip army and navy departments.

Spécial studies by Sombart in *Krieg und Kapitalismus* and by Steinmetz in *Die Philosophie des Krieges* give detailed figures of the rapid growth of military expenditure from the Middle Ages down to modern times. Sombart shows that between 1875 and 1913 British military expenditures rose 191 per cent; those of France rose between 1873 and 1913 by 102 per cent; and German expenditures were 208 per cent higher in 1913 than they were in 1881. Hirst points out that four great powers acted as pace-makers in the armament race,—Great Britain, Germany, United States and France. (*Political Economy of War* pp. 88-90). Between 1890 and 1912 the increase in army costs was less than double for Great Britain, Germany and France but more than threefold for the United States, while the increases in navy costs were: for France, more than double; for Great Britain, threefold; for Germany and the United States, each about sevenfold. Between 1900 and 1920, Great Britain, France, Russia, Germany, Italy, Austro-Hungary, Japan and the United States built 2,861 warships with a total tonnage of 7,880,613 total tons and a total horsepower of 38,804,924. (Enock, *The Problem of Armament*, pp. 29-30).

This rapid military expansion and the wars which accompanied it called for the industrial or military services of millions of workers.

7. The demand for man power.

The various phases of capitalist expansion depended on man power. Building the home structure, building the colonial structure, expanding politically, building and maintaining the military machine all took men and women. The greater the tempo of expansion the larger the ratio of increased man power required from year to year.

A portion of this demand for greater man power could be met through migration from the older centres and from agricultural areas. Most of it, however, was provided by the excess of births over deaths. In order to provide for this human surplus the "increase and multiply" doctrine was generally taught and efforts at birth control propaganda were harshly suppressed. Capitalism, in need of man power for economic, political and military expansion, stimulated population growth to the utmost.

IV. THE TIDE TURNS.

After a century and a half of rapid expansion the capitalist tide reached its highest point. First in one century, then in another, it turned and began to recede.

1. The limits of competition.

Since the competitive struggle for wealth and power was the driving force of capitalism, expansion continued while competition provided a stimulus to economic effort and a regulator sufficiently effective to maintain the economic equilibrium. Beyond this point expansion ceased and decline began.

Competition, as a motivating force in economic life, is effective so long as it works,—that is, so long as it induces economic expansion. This was its avowed function at the inception of the capitalist system. It is the breakdown of competition as an economic force that marks the turning point in the fortunes of the capitalist system.

There are two principle fields in which competition might operate as a motive force in capitalist expansion. One is the field of struggle between individuals and groups within the homeland. The other is the field of struggle between rival ruling class groups occupying different homelands.

2. Internal competition and monopoly.

Competition inside the homelands of capitalist countries received its first serious check in the last thirty years of the nineteenth century. This check appeared in several different forms.

The most obvious negation of competition was the vertical cartel or trust. Each of these trusts included producers engaged in one general line of production such as oil, steel, electric equipment. The usual limit upon their organization was the political frontier.

When the trust movement was well under way it was supplemented by the movement to include many different lines of production under one central control,—usually a banking syndicate. Such organizations are referred to as horizontal trusts.

The period of the vertical trust, or monopoly capitalism, preceded the period of the horizontal trust, or finance capitalism. Both periods were stages along the road of the expansion (evolution) of capitalism. Both monopoly capitalists and finance capitalists regarded monopoly as more profitable than competition. Both, therefore, aimed to oust competition from the field and to put monopoly in its place.

By the end of the nineteenth century the basic industries and public utilities of the chief capitalist countries were quite generally organized on the monopoly principle. Outside of small merchandising and agriculture, competition had been definitely abandoned as a method of organization in the leading economic fields.

Hand in hand with the concentration of economic control in cartels and trusts went the concentration of wealth and income in the hands of a tiny fraction of the total population. The competing individual—whether as worker, small tradesman, professional man or farmer, like a lone soldier on a battlefield where the combatants are organized armies, was hustled and trampled mercilessly. The professional classes escaped the dilemma by hitching their carts behind the trust chariot. Small tradesmen worked endless hours and even then were exterminated wholesale. Workers who faced the issue formed unions and attempted to organize a labor monopoly to defend their interests against the potent monopolies of capital. The idea of competition under terms that provided "a fair field and no favor" had gone a-glimmering.

Competition had operated in another field—the market. As a regulator of prices, of interest rates, of profits, of investment fields, of wages. Here, too, cartel and trust organization banned competition so effectively that by 1895 it had become quite clear that farmers who still competed in the world market were at a hopeless disadvantage as against railroads, agricultural machine

factories, fertilizer combines and other monopolies that restricted output and held prices above the competitive level.

By the end of the nineteenth century, therefore, competition had lost the field inside the chief capitalist countries. In its place appeared monopoly in the form of great vertical trusts and financial syndicates that controlled the market in accordance with the familiar principles of monopoly. The "man on the make", had ceased to count as a factor in the major economic struggles.

3. International competition and war.

Competition ran a very different course in the international field from that in the home field. From the period of the Franco-Prussian War (1870-1871) the principal capitalist nations carried on a fierce economic and political survival struggle that flowered in the the \$280,000 million war of 1914-1918. Despite numerous efforts looking toward international cooperation in the economic and political fields, the sovereign states that mustered their armies in the opening days of August, 1914, were headed by relatively well-knit ruling class groups whose motto was: Eat or be eaten. They were the very embodiment of the principle of international competition.

The sixty years of international competition from 1870 to 1930 were a failure from an economic point of view. They witnessed an immense economic and geographic expansion in each of the rival capitalist empires, but the costs of competitive militarism and of war far outweighed the advantages of competition. The measure of this red ink balance appeared in the post-war debts, currency inflation and unbalanced budgets and in the collapse of 1929-1931. The principle of competition had been applied to the survival struggle of contending ruling class groups, but the costs were so great that they broke the system.

4. Waves of revolutionary protest.

Perhaps the best test of the failure of competition on the home and on the international field was the succession of revolutionary waves that swept across the world. The first of these waves reached its high point in the Paris Commune of 1871—a revolutionary movement in which the proletarian masses first played a decisive role.

After minor disturbances, the revolutions in Cuba, the Philippines and other colonial areas during the 1890-1900 decade, the Russian revolution of 1905, the Marxian revolution of 1910, and the Chinese revolution of 1911 deserve special attention. Their

significance was overshadowed, however, by the tidal wave of revolutions that swept the world between 1917 and 1926, leaving Western Europe a line of overturned thrones and threatened banks, and in Russia the world's first Workers' Republic.

Both the colonial and the European revolutions were avenues along which the masses sought a way of escape from the hunger, tyranny and war that capitalism was imposing upon them. All were dominated by some form of working class idealism and after the foundation of the Third International in 1919 this idealism took shape as the modern Communist movement, with plans for a world revolution followed by the organization of a socialized world economy.

V. THE DECLINE OF CAPITALISM

The War of 1914 did not bring the decline of capitalism, but its outcome was proof enough, even to untrained observers, that the capitalist system had passed its zenith. Competition had broken down in the centres of capitalism long before the war began. The war itself would have crushed almost any mature economic system in which it occurred. As for the revolutions of 1917-1926, they helped to force the capitalist system along its downward path.

When the expansive possibilities of capitalism had been exhausted, decline was inevitable. It was merely a question as to which combination of forces should hasten the process.

1. The forces behind capitalist decline.

Briefly and simply, the economic and social forces behind capitalist decline operated within and through the political state or nation, which thus became the unit in which decline was most apparent. Instead of insolvent factories, railroads or banks, the world saw insolvent nations.

During the period of monopoly capitalism and finance capitalism, various important economic undertakings have been directly identified with the State. Tariffs, bounties, and subsidies, and in the case of many economic functions like railroading and banking, direct government operation have linked business and government in the most intimate manner. This fusion of economic and political function reached its extreme form in Italian Fascism where the process was legalized and hailed as an avenue of escape from the contradictions of capitalism.

Under a system of coordinated economic and political institu-

tions, any event which disturbs or disrupts one, destroys the balance of both. Like Siamese twins, they must live and die together.

It is hardly necessary to point out that the events centering about the War of 1914-1918 were so drastic as to disrupt the delicate economic-political balance of capitalism. After 1920 it became more and more evident that the blatant dislocations of capitalist society were minor expressions of a general decline.

The forces which were operating to produce this decline must be listed and briefly described:

First. The foundations of capitalism had been laid and the heavy building operations had been completed. There was still trimming and finishing to be done, but they could be postponed if necessary. There were enough lines open, enough blast furnaces erected, enough chemical plants constructed, enough railroads laid. Even before the War of 1914-1918 this was true. Post-war economic developments were concerned with automobiles, artificial silk, rubber, airplanes, radio construction, house building and other forms of secondary or tertiary economic activity. Consequently the vast army of workers who had supplied the materials and performed the labor of blast furnace and railroad building was no longer needed in these fields, and very few of them could find jobs in the lighter industries.

This same situation appears on a small scale wherever a piece of construction work is undertaken. Begin erecting a dam like that at Boulder, Colorado. Workers from all parts of the country crowd into the construction camp until the job is finished. Then, since there is nothing else for them to do, they drift to another job, or, if they can find no work, they are reduced to starvation.

The physical plant of the capitalist system,—its railroads, factories and mines,—was one of the greatest construction jobs ever undertaken by the human race. Along about 1900 the job was completed. From that time on the millions of construction workers must drift and starve until the time comes to do another construction job,—to build another social system.

Second. Since the growing volume of surplus capital could no longer find a profitable outlet in building up the physical plant of capitalism, huge investments were made in automatic machinery, and other forms of rationalization. The mere cessation of heavy building operations involved in the construction of capitalism would have been sufficient in itself to disrupt the labor market and fill the breadlines. This force, coupled with the extensive rationalization of industry threw millions permanently out of work

and created the basis for the huge unemployed armies of the post-war period.

The rapid expansion of automatic machinery, of improved methods of mass production and of plant specialization over-supplied the markets with goods at the same time that they decreased the number of necessary workers. By substituting machine feeders for skilled craftsmen, they reduced the wage scale and the purchasing power of the working masses.

Third. Home and colonial markets for consumption goods were already glutted before the era of high pressure rationalization began. On the marketing side, capitalism had been forced to reduce the tempo of the expansion even before 1913.

Fourth. The War of 1914-1918 shattered the international economic structure. Through five years the normal economic life of every principal capitalist state was dominated by the imperative need of winning a war. The peace treaties and debt settlements drawn up between 1918 and 1924 loaded the nations with reparation and interest payments on so vast a scale that even Great Britain, which had been the world's financial and trading centre up to 1914 was carrying an insuperable load.

The British national debt in 1914 was 650 million pounds sterling with annual interest and carrying charges of 24.4 million pounds. Ten years later, in 1923, the debt stood at 7,742 million pounds and the carrying charges at about 320 million pounds. Thus the total debt had increased twelve times within the war decade. In 1930 the British national wealth was estimated at 16,000 million pounds and the national debt at 7,413 million pounds, or almost half the national wealth. Other nations, such as France and Italy, wiped out four-fifths of their debt by lowering the value of the franc and the lira and reducing the living standard of the population. The Central European debts had been cleared away by a devastating process of inflation.

The years between 1913 and 1930 showed how sensitive and how frail were international economic relations. By 1930 the three chief leading nations,—Great Britain, France and the United States,—were all slow to lend money except at prohibitively high interest rates or for short terms.

Fifth. The speculative boom in Wall Street in 1928-29 intensified the capital shortage. Instead of lending their money in the borrowing or colonial countries at six or eight per cent, bankers and speculators in all parts of the world loaned it in Wall Street at from 10 to 20 per cent. Capital exports from France were \$504 million in 1927, \$253 million in 1928 and minus \$29 million in 1929. For the United States the figures were: 1928, \$1,036 million; 1929,

\$233 million. The figures of British capital exports rose slightly: \$482 million in 1927; \$667 million in 1928; \$672 million in 1929. (League of Nations, **The Course and Phases of the World Economic Crisis**, Geneva, 1931, p. 31). The net loss to borrowing countries was therefore heavy.

Sixth. The Wall Street crash of 1929 smashed boom psychology. Although the economic recession had already begun in some countries as early as 1928, until the Wall Street bubble burst there was a gambling centre where the adventurer could still take a chance. The collapse of the Wall Street stock market, the last stronghold of prosperity, spread gloom and fear over the entire capitalist world.

Seventh. The price decline, which had been gradual between 1924 and 1929, became a rout in 1930 and 1931, breaking the back of colonial buying power, flattening out world markets and reducing demand.

Eighth. The national revolutionary movements, notably in India and China, using the boycott of foreign goods as a weapon with which to win independence from their imperial overlords, cut heavily into British and Japanese trade in these territories. The Latin American resistance to United States exportation, though less drastic, was still effective.

Ninth. Gold monopoly aggravated an already difficult situation. Although the successful working of international capitalism depended upon the effective use of the available gold supply, by 1931, of the world's total gold reserves (\$10,500, million) \$4,500 million was in the United States and \$2,500 million was in France. Five countries,—the United States, France, Great Britain, Germany and Japan,—held more than three-quarters of the world's gold. The other fifty countries were left to shift for themselves as best they could.

Tenth. Unbalanced budgets and unstable currencies crumpled up finance and credit, forcing retrenchment. Despite their immense gold reserves, Great Britain, France, Japan and the United States were all four wrestling with heavy deficits.

There were, of course, other forces, which were making for capitalist decline. Chief among them was the growing power of the proletarian revolution. The ten above enumerated have all been emphasized, however, because they rose directly out of the functioning of capitalism and would have had their effect even had there been no proletarian revolutionary movement in the world.

2. The retrenchment scramble.

Capitalist business men and politicians, responding to these for-

ces, began a mad scramble for retrenchment. They struggled to cut costs and hold markets, to lower expenses and balance budgets, to reduce imports and secure a favorable trade balance, to obtain loans and tide over the emergency.

Each cartel, each trust, each syndicate went to work with an axe, lopping off every possible expenditure. Reorganization, wage reduction, lengthened hours, automatic machinery, speed-up,—all known devices were tried which would minimize income.

Each nation followed suit. "Self sufficiency" was the ideal and countries like Great Britain, whose economic life depended upon foreign business, inaugurated "Buy British" campaigns. Tariff walls went up. Anti-dumping regulations were enforced, and in one extreme case, South Africa inaugurated a system of bounties on exports at the same time that tariffs were raised to shut out imports.

World trade suffered heavily as a result of these restrictive measures. In value during the last quarter of 1931 it was about half of the 1928 level. The figures are somewhat misleading because of the heavy fall in prices.

Budget and trade deficits were met by cutting the salaries of government employees; by stopping government construction; by imposing heavy taxes on consumption goods; by reducing expenditures for health, housing, social insurance and education. Necessarily, then, retrenchment bore most severely upon the masses. The workers and poor farmers carried the heaviest load.

Retrenchment was fiercest and most relentless in the great capitalist centres, where the effects of the decline were most severely felt. Thus a bad situation was materially worsened by reducing expenditures and cutting purchasing power at the moment when markets were glutted with commodities.

3. Retrenchment cuts the demand for workers.

Whether in the individual factory, the trust, the syndicate or the nation, retrenchment inevitably reduces the demand for workers. Those whose services were eagerly sought during the period of capitalist expansion were no longer wanted in a period of decline.

The maximum number of workers required at any given time by the capitalist system is the number that will yield the largest net profit to the owners of factories, mines and railroads. Even during a period of expansion, the number of workers necessary to yield maximum net profit may decline, owing to improvements in machinery and in organization. This was true of the manufacturing industries of the United States between 1923 and

1927. While the value of products rose seven per cent the number of workers decreased five per cent. During a period of decline the number of workers required to produce maximum profit will shrink as a matter of course.

There is no way to measure accurately the ratio between the total number of workers in capitalist countries and the number required to produce a maximum profit. Certain facts, however, provide the basis for a rough estimate.

During the War of 1914-1918 the principal capitalist nations mobilized 65 million men. In addition to the men mobilized, a very large number of men and women left their ordinary pursuits to engage in various phases of war work. The total population of the capitalist nations was approximately 600 million in 1914. It would therefore seem that roughly ten per cent of a capitalist population could be mustered into the army, perhaps double that number could devote themselves to war work, and still the economic needs of the population could be supplied.

Estimates for the United States show that five million went into the army and nine million went into war work. At that time the total number of gainfully occupied persons in the United States was about 42 million. War, therefore, called a third of the workers from their regular posts.

War is most extravagant. There is no other human activity in which goods and services are deliberately and systematically destroyed en masse. Yet a country like the United States could turn a third of its gainfully employed workers out of their regular occupations, equip and feed a huge army, and actually raise production levels, with only two-thirds of the gainfully employed persons on the job.

If it was possible in the United States, in 1917, to equip and support an army of five million and to support nine million more doing war work, with only about 28 million still occupied in normal economic activities, the conclusion is obvious that as far back as 1917, 65 per cent of the population could do all of the work necessary to support the entire 100 per cent. Or, conversely, that 35 per cent of the population could engage in the grossly extravagant game of war while the remaining carried on the necessary economic activities.

Another test may be made. During the years of 1929-1931 the percentage of totally unemployed persons in Great Britain reached a maximum of 21 per cent. In Germany the maximum was 34 per cent. In the United States the maximum was probably 25 per cent. In addition to the wholly unemployed there were many workers on part time. The maximum for Germany (1931) is giv-

en as 19 per cent. There are no comparable figures for either Great Britain or the United States. While complete figures are lacking, estimates place the number of wholly unemployed in all parts of the world outside of India and China at 25 to 35 million at the end of 1931. The number of partially employed is probably from 12 to 18 million. The present experience with unemployment and with part time employment suggests that in a highly developed capitalist country like Germany, economic life can continue with a third of the workers wholly unemployed and a fifth partially employed. In Britain and in the United States, economic life continues with a fifth or a quarter of the workers unemployed and a considerable fraction partially employed.

The conclusions are obvious. Capitalism had reached a stage of development in 1914 where all necessary economic activities could be carried on while at least a third of the workers were engaged in various aspects of war work. The rapid and widespread increase in efficiency which has taken place since 1914 made it possible in 1929-1932 for an even smaller proportion of the total number of workers to do all the work necessary to profit making. In other words, the unneeded population surplus was already large in 1914. Since that year, technical improvements and natural increase have made it still larger.

4. Those who must starve.

The proportions of the unneeded vary directly with the extent of capitalist development. A country like France, where half of the population is still engaged in small scale agriculture and where another large segment is made up of small scale shopkeepers, has a smaller percentage of unneeded than Germany or Great Britain where large scale industry has made such notable advance. All of the capitalist countries, however, have an extensive population surplus.

How large is the population surplus? Roughly, in the principal capitalist countries, it is 40 to 50 million workers, or, with their dependents, 150 to 200 million people. This number is arrived at in the following manner:

- A. United States, Great Britain, Germany, Austria, Japan; total population 300 million; unneeded 30 to 40 per cent or 90 to 120 million.
- B. France, Italy Spain, Poland, Czechoslovakia, Belgium, Holland, Sweden, Norway, Denmark, Canada, Australia, South Africa; total population 200 million; unneeded 20 to 25 per cent or 40 to 50 million.

- C. Baltic and Balkan States, Latin America, Colonial Africa; total population 300 million; unneeded 10 to 15 per cent or 30 to 45 million.

Total unneeded 160 to 215 million.

Thus far no word has been said concerning India, Indonesia and China, with a total population of 900 to 1,000 million. The extent of starvation in this area is a matter of dispute but the total number who are living in the shadow of hunger runs into hundreds of millions. These countries have been omitted from the list because their plight is not the result of the decline of capitalism, but of a pre-capitalist social order.

In the capitalist world, excluding Continental Asia, the number of workers at present unneeded is probably from 40 to 50 million. These workers with their dependents number from 150 to 200 million persons. This vast army constitutes the population surplus. In the period of capitalist expansion these millions were an asset. They picked and shoveled. They were factory fodder and cannon fodder. In the period of capitalist decline they have become a heavy liability,—a burden to capitalist society. In Germany they live on unemployment insurance; in Great Britain they are supported by the dole. In the United States they must eat from the cold hand of private charity.

Surplus goods can be burned, thrown into the river, or dumped on the market. Capitalism uses all three methods.

The problem of surplus population is harder to solve. Labor power is a commodity, but the workers and their families cannot be thrown out wholesale.

What shall the leaders of capitalism do? The population surplus of 150 to 200 million souls clamors for food and shelter. How can their demands be met? There are four possibilities:

A. Capitalism can feed these unneeded millions more or less permanently, either in soup kitchens or bread lines, or by means of a money dole. Such a plan would finally break the system economically. In the meantime it would demoralize it psychologically.

B. The system can let the surplus population die of slow or quick starvation or from the diseases that come from malnutrition. Such a method is dangerous but it has been followed again and again in the past with a considerable degree of success.

C. The capitalist military machines may slaughter the surplus population in war. This third method is the most risky one mentioned thus far. All first class modern revolutions have been directly connected with war.

D. Capitalism may reverse its century old position and inaugurate worldwide birth control propaganda, in the hope that the surplus will be eliminated in the course of 40 or 50 years.

Since Solution A is economically unworkable, and since Solution D violates the accepted moral standards of Christian civilization, there seems nothing for it but to fall back on the time honored devices of starvation, disease and war as the most effective means of eliminating the surplus population.

Readers who have not studied history may regard these contentions as fanciful, alarmist, or pessimistic. Such readers should remember that social systems have risen and declined in the past, expanding populations by tens of millions and reducing them again to mere handfuls. Ancient society provides many illustrations of this process. In Egypt, Assyria, Babylonia, Persia, there were successive centres of trade, industry and population that have completely disappeared, leaving only ruined buildings and mounds of rubbish to tell the story of their whereabouts and of their activities.

The great historic rise and decline of population took place within the Roman Empire. In the Augustan age at the height of its man-power, from 80 to 90 million people lived around the Mediterranean basin under the Roman sway. They were linked together by commerce and finance, by a unified political system, a common law and a common language. Five hundred years later, from one-half to two-thirds of this population had disappeared. In many parts of the Empire the sites of mighty cities had become pasture land when the Middle Ages closed over the dry bones of Rome's former greatness. During the fourth and fifth centuries A.D., the period of most acute decline, economic stagnation, famine, disease and war steadily depopulated the empire.

Another matter should be noted in this connection. Two contemporary societies,—India and China—are old societies in a stage of stagnation or decline. The starving millions merely add emphasis to the contention that mass hunger is the agency which is usually relied upon to eliminate surplus populations.

Capitalism is merely reiterating an oft-repeated historical experience. During its period of expansion capitalist society welcomed newcomers, stimulated natural increase and migration, and easily found food and shelter for all who served its purposes. When decline set in the workers who had been useful during the period of expansion became a heavy burden from which the ruling class could hope to be released only through famine, disease and war.

5. Facing a grim reality.

The economic collapse of 1929-1931 was merely a speeding up of capitalist decline, the symptoms of which had put in an appear-

ance before 1914. While there will be changes in tempo, the decline will continue.

During the period of capitalist decline tens of millions who were needed during a period of expansion are thrown aside as unnecessary. The old, the exhausted, the clumsy, the rebellious, make up the ever growing army of the unwanted.

The sun still smiles. The land produces. The earth yields up its treasures. Machines are improved. Technical efficiency increases. It is easier today than it has been at any previous time to wrest a living from nature. But capitalism is not organized to wrest a living from nature. The object is maximum profit to the owning class. In pursuit of that object a system has been built up which exploits the working masses for the enrichment of the owning few. Finally, torn asunder by its own contradictions the system crumples up, while multitudes perish from avoidable, preventable causes.

The warning is plainly written—so plainly that all who look may read. Unless a new social system can be speedily substituted for capitalism, tens of millions must pay for the failure with their lives.

VI. IT IS NEVER TOO LATE.

Working masses in the capitalist countries are in a blind alley, depending for their livelihood on a decaying economic system. Ahead of them lie wage-cuts, part-time work, unemployment and starvation. But they cannot stand still because they are driven forward by their daily needs for food, shelter and clothing.

The plight of the working masses under declining capitalism is desperate. The health of their children, their very lives are set stake.

But it is never too late. The workers can still save themselves from the fate that hangs over them.

1. Stop trusting the ruling class.

The workers must stop trusting the ruling classes. The events of the last few years have showed very clearly that the ruling classes cannot control the economic situation. They cannot continue paying unemployment insurance and old age pensions. They cannot continue to make profits. The decline of capitalism has caught the ruling class as well as the workers, and the ruling class has no effective program for meeting the situation.

During the prosperous years that preceded 1929, millions of

workers in the United States and elsewhere listened to the ruling class promises: steady work; good wages; a full garage. They gave up their trade unions; abandoned their working class political activities, and relied upon big business to see them through.

Big business has failed as the Marxians predicted that it would fail. All over the world wages have been cut, unemployment has swept tens of millions out of their jobs, and business houses and banks have been overwhelmed and crushed in the avalanche of capitalist decline that broke loose in the autumn of 1929.

There was never a chance that the ruling class would take care of the workers' interests. Big business spent all of its spare time filling its own purse. In the past three years, through bitter experience, the workers have learned this lesson.

2. Organize a militant labor movement.

There is only one way of escape from the blind alley in which the workers find themselves. They must stop trusting the ruling class; turn right about face, and build a militant labor movement. In the shops, mills and mines they must organize their unions,—openly, where that is possible. Where open organization is made impossible by company gunmen or by the police, the workers must organize secretly. But in any case, they must organize and build habits of labor solidarity.

Politically they must organize into a class conscious party that recognizes the problems arising out of capitalist decline, and that has a program for the immediate construction of a communist world. There can be no patch work now. Capitalist imperialism is finished. It must go, and a workers' world must take its place. There is no other possible answer to mass starvation.

3. Build a communist society.

The sagging, tottering structure of capitalism must be pulled down and dragged out of the way. In its place must rise the institutions of a communist society.

The economic foundations of capitalism, and the superstructure of institutions and ideas must alike be scrapped. Their possibilities are exhausted. They can give nothing further to the human race except privation, suffering and death. They have played their part on the historic stage and their turn has come. They must be stored away in the lumber-room of the past.

The economic foundations and the superstructure of institutions and ideas based on a socialized planned world economy must take the place that was formerly occupied by capitalism. The destined

builders of this new society are the technically trained, wage-working masses who have learned how to operate the machinery of capitalist society and who can use their knowledge to house and educate the masses in a communist world. The leaders of the movement are those class conscious workers who feel and see the task that lies ahead of the working class.

The masses in capitalist countries will starve by millions while they continue to live under the dying system of capitalism. But it is not yet too late for them to save themselves by throwing their energies into the task of socialist construction.

CIVILIZATION IMPERIALISM WAR REVOLUTION

Books by
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The capitalist world is chaotic. Customary relations between owner and workers, producer and consumer, seller and buyer, lender and borrower, are disrupted. Uncertainty and fear hang like a pall over every aspect of profit economy. From day to day no man knows whether he will have his job, his business, his income. Over night, he and those dependent upon him may be plunged into poverty.

1.—The nature of the economic breakdown.

The breakdown extends to every phase of capitalist economy. For example:

a. **Productive power and market demand are out of balance.** The surplus of certain raw materials, such as cotton, is so great that it would carry the world for a year without a single additional pound. The economic world is flooded with goods that cannot be sold and with productive power that cannot be utilized. Although mines and factories are running only part time, they are producing more commodities than the consumers can afford to buy.

b. **Millions of workers are unemployed.** In Great Britain, 3,500,000; in Germany, 6,000,000; in the United States 9,000,000 to 10,000,000; in other countries other millions are out of work. The total for all capitalist countries is placed at from 25,000,000 to 35,000,000. At least as many more are working part time. These unemployed and partly employed workers with their dependents number from 150,000,000 to 250,000,000.

c. **Wages are being drastically cut.** Germany, Great Britain, Italy, Australia and the United States report slashing reductions in the wages and salaries of government and private workers. In the United States alone these wage cuts amount to \$10,000 million per year under the figure for 1928-29.

d. **Multitudes of farmers have been ruined.** The rapid decline of prices to record low levels has bankrupted wheat, cotton and other farmers and driven them from their farms into the already glutted labor market of the industrial centres. The United States Department of Agriculture reports that the total income of United States farmers alone decreased \$5,000 million from 1929 to 1931. In December 1931 the prices of United States farm products reached the lowest levels ever recorded.

e. Want and suffering are unprecedented. The winter of 1931-1932 was the most severe that the capitalist world has ever known. Tens of millions of families in the principal capitalist countries lacked the means to buy the simplest necessities. The funds of private charity organizations were exhausted. Public relief departments were flooded with applications for assistance.

f. Capital is idle. Factories and mines are closed; locomotives, cars, trucks and ships stand unused. Until the autumn of 1931 in Amsterdam, London and New York, money was so abundant that it could be borrowed at short terms for one per cent or $1\frac{1}{2}$ per cent.

g. Businesses are failing. Tens of thousands of small producers and shopkeepers have been driven to the wall. In the United States there were 26,355 business failures in 1930, and 28,285 in 1931. Business failures in Argentina during 1931 broke all records. In Britain, France, Germany and Italy the number of business failures rose steadily from 1929 through 1930 and 1931.

h. Financial markets are disorganized. While interest rates are unusually low in New York, London and Amsterdam, in the other areas such as Central Europe they range from 10 per cent to 18 per cent. In Central Europe and in many other borrowing countries credit is drastically restricted and many currencies are heavily depreciated. In terms of dollars the money of China in May 1931 had depreciated 60 per cent; of Spain, 48 per cent; of Brazil, 44 per cent; of Argentine, 27 per cent; of Australia, 23 per cent. (The Course and Phases of the World Economic Depression, page 187). In September 1931 Great Britain abandoned the gold standard. She was followed by six other countries. In December Japan went off gold.

i. Banks fail wholesale. Important banks closed their doors in Austria, Hungary, Germany, France, Holland and other countries during the spring and summer of 1931. In that year ten per cent of the United States banks closed their doors.

j. Debt and reparation payments could no longer be met. The Hoover Plan of July 1931 provided a year's holiday for war debt payments. The holiday was arranged because a point had been reached in the breakdown of European economy where the creditor nations were forced to choose between a holiday and bankruptcy of the debtor nations. By December, 1931, Germany, Austria, Hungary, Yugoslavia and Roumania had actually or tacitly declared their inability to meet their obligations. Several Latin-American countries had likewise failed to meet payment due on public debts. There remained the enormous burden of internal public debt and of internal and international private debt. Great Britain, for ex-

ample, with a national wealth of about \$80,000 million, in 1931 had a national debt (largely internal) of about \$37,500 million, besides billions in internal bonds, mortgages and other fixed obligations. Debtor nations, in their turn, owed Great Britain about \$18,000 million, on which many of them were forced to discontinue interest payments during 1931 and 1932.

k. **Failing revenues disorganized public finance.** Every important capitalist nation and empire faced heavy budget deficits. The deficit in Great Britain for 1931-1932 was estimated at \$600,000,000. For the United States it exceeded \$2,000,000,000.

Chaos gripped every phase of capitalist economy. The speculative madness of 1927-1929 was followed by more than two years of continuous decline in prices and in security values that swept away the entire prosperity structure.

2. The choices before the western world.

This general economic breakdown has created a critical situation—one that involves life and death for tens of millions. Not since the decline of the Roman Empire has the western world been faced with so general or so widespread a catastrophe.

What are the possibilities of the situation? What avenues offer escape?

There are three possible ways out of the disaster which threatens to accompany the decay of capitalism:

- a. To rehabilitate capitalist society. This means, specifically, to adopt measures, under capitalism, which will stabilize economic life, prevent severe hard times and eliminate the possibility of serious wars.
- b. To drift into dark ages like those which engulfed the dying Roman world. Such a course would involve the abandonment of modern civilized, specialized economy, a devastating cut in the standard of living, and the elimination of from 300,000,000 to 400,000,000 people from the capitalist countries.
- c. To sweep away the remains of capitalist economy and to build a new economic order in its place. This choice involves the same general line of procedure as that which has been followed in Russia since 1917.

Beyond these three there seems to be no other possible lines of advance into the future. One of these three, therefore, the peoples in the western world must take.

Drift has no merits. It is the policy of despair. Therefore it will not be necessary to examine this second possible course. But the rehabilitation of capitalism and socialist construction must be seriously considered.

II. CAN CAPITALISM PREVENT ECONOMIC CHAOS?

When any piece of machinery breaks down, an immediate question arises: does the fault lie in some minor defect or does it lie in the machine itself? If the fault can be traced to some minor defect, such as the wearing out of a part, it is easy to repair the machine and start it going again. If, on the other hand, the machine is badly designed, or if it is old and generally worn out, minor repairs are useless.

Capitalist economists hold that the present chaos of capitalism is due to minor defects in an otherwise satisfactory machine. Capitalism is fundamentally sound, they insist. Minor defects, when they appear, may be corrected. The system, as such, is still workable.

Economists who have taken the question of hard times seriously and who have suggested remedial action may be divided into three groups: (1) those who believe that hard times can be prevented or cured by some specific remedy such as monetary reform, banking reform, or free trade; (2) those who regard hard times as a permanent but controllable aspect of capitalist economy; and (3) those who believe that hard times are a permanent aspect of the capitalist system and that they will increase in violence as the system matures until they have destroyed it. The economists in this third group are, of course Marxian or near Marxian and are opponents rather than upholders of the capitalist order.

1. Some Economists believe in capitalism.

The economists who hold that hard times can be prevented or cured by some specific remedy occupy the centre of attention all over the capitalist world. They are listened to with respect and their opinions are quoted.

William Beveridge, the British economist, had an opportunity on January 10, 1932, to broadcast his views over a radio circuit that included Great Britain and the United States. On January 11th the **New York Times** printed the full text of his address. After discussing war debts and reparations, Mr. Beveridge said: "The economic outlook in 1932 depends not on economics, but on politics." The depression, he held, would continue as long as political uncertainty. Even after that: "we shall have the same kind of depression all over again in a few years if we go on as we have been going in the past, if we do not now handle the problem of controlling money and making prices more stable."

Later in his talk Mr. Beveridge added: "Stabilizing prices and so

preventing trade depression in the future depends on cooperation between the central banks of all the principal countries. Specifically, therefore, Mr. Beveridge commits himself to the proposal that trade depression can be prevented by joint action of the bankers.

Such views are commonly held by capitalist economists. Professor Irving Fisher of Yale University has for years been agitating in favor of a "compensated dollar." If, he urges, instead of basing the dollar on one commodity, gold, the dollar were based on 100 of the staple commodities on which economic life depends, violent fluctuations in money would be impossible, the dollar would be stabilized, and economic fluctuations would be prevented.

Professor Fisher puts his faith in a stabilized currency and, prior to October, 1929, he was of the opinion that comparative stabilization had been achieved. In the summer of 1929 he stated that the stock market was at its peak, but that the decline "would not be in the nature of a serious crash." (**The Stock Market Crash—and After**, p. VII). In his study of the crash, published in February, 1930, he held that stock prices "touched bottom" on Nov. 13, 1929 (p. XIII). As for the future, he presented it in glowing colors: "The factors leading to the crash of the American Stock Market were not factors of depression, but of prosperity, unexampled prosperity. It was in the main over eagerness to profit by these factors that produced the crash. The prime fault lay in the credit structure." (p. 257). People borrowed too much, argues Professor Fisher. "Mr. Carl Snyder was right in saying that the structure was a house of cards. But this house of cards was built on a solid mountain." (p. 260). "Had there been no piling up of margin accounts as the totals of brokers' loans revealed, there would probably have been no panic. Or had there been no Hatry failure (in London) which precipitated a panic and consequent fall in prices on the London Stock Exchange it is quite arguable that there would have been no American panic." (p. 263).

Having thus laid the responsibility for the temporary dislocation of October and November, 1929, on brokers' loans and a flurry on the London Stock Exchange Professor Fisher assured his readers that in January and February, 1930 the future was secure. "The threat to business due to the dislocation of purchasing power by reason of transfers of stock holding will be temporary. Fulfilment of the pledges of the nation's business leaders that industrial programs will be adhered to, that wages will not be reduced, and on the 'tempo' of production on which all our prosperity has been built will be maintained, should suffice to bridge across the business recession that slightly antedated and

accompanied the crash. The effects of the crash were largely psychological." (p. 269).

After commending President Hoover for assuring the public that all was well with business, Professor Fisher adds: "As a means of present reassurance I trust that the book itself will be of some use, besides affording substantial reasons for practical optimism for the future." (Idem). The book concludes with this paragraph: "The only 'fly in the ointment' is the danger in a few years of gold shortage and long gradual deflation like the deflations after the Civil War and after the Napoleonic Wars. And even that danger may be averted if wise banking policies and gold control are adopted in time. For the immediate future the outlook is bright." (Idem).

Professor Gustav Cassel, who has a wide audience in Europe and the United States, holds that price fluctuations, due to the variations of the gold supply are the principal sources of difficulty. As a remedy he proposes "Purchasing power parity—a method of calculating values, for international trade on a basis established before the price fluctuations began. "The equilibrium rate of exchange is determined by a cooperation of all the factors that influence the price of goods in the different countries." (**Foreign Investment**, 1928, p. 13).

The prophets of the "new economy" were numerous and vocal between 1922 and 1929. Perhaps their most important group utterance was the report on **Recent Economic Changes** published by the National Bureau of Economic Research in 1930. The Committee responsible for this report prefaced their two volume study by a signed statement under which appear the names of Herbert Hoover, Owen D. Young, John J. Raskob, Daniel Willard, William Green and a number of other men prominent in politics and in business.

"A new solidarity of thought and action" has been effected for the people of the United States, write this committee, by means of the telephone and telegraph, the automobile and the radio. Other forces making for "economic balance" have been "economic reorganization; the cooperation of business leaders, economic experts and the government; the general spread of information; the growth of trade associations; the cooperation of labor to increase productivity; the restriction of immigration (V. 1, XIX-XX). Education has also played a role.

"There is another factor which has contributed to the welding process, and to the economic advancement of the nation: The broadening influence of America's creative minds—the mind of the leaders in Government and in Education, in research, in management and in labor, in the press and in the professions. To their

influence we have come to look in large measure for the maintenance of an economic balance." (Ibid, p. xxi).

Finally: "Underlying recent development is an attitude of mind which seems to be characteristically American. Our situation is fortunate, our momentum is remarkable." (Idem). The Committee Reports ends on this boastful note. Within the year during which this Committee Report was written President Hoover was calling some of these same men to Washington to help in stemming the worst torrent of financial liquidation in the history of United States monopoly capitalism.

One prophet of New Era Economy, Professor N. Carver of Harvard, predicted that prosperity would continue indefinitely. In a chapter headed: "How long will this diffusion of prosperity last?" (*This Economic World*, p. 396) he wrote: "There is absolutely no reason why the widely diffused prosperity which we are now witnessing should not permanently increase. The only possible reason why our total prosperity may not increase indefinitely is the possibility that at some time we may fail to mass enough high intelligence upon the economic problems of that time to meet new difficulties as fast as they come."

Another defender of the principle of permanent prosperity appeared in the person of the Dean of the School of Business and professor of Economics in the University of Oklahoma. In his book, **Progress, Profits and Prosperity**, published by the McGraw Hill Co. in 1927, Professor Arthur B. Adams wrote: "There is no fundamental defect in the organization of the industrial system which would prevent business enterprises being operated constantly at a profit. Under the present industrial system, it is not only desirable to have, and to maintain constantly, profits, industrial progress, and prosperity, but it is possible to attain this goal." (p.v.).

The voice from Oklahoma harmonizes perfectly with the voices from Yale, Harvard and the economic departments of other business class universities. The capitalist system is sound at bottom. Its future is assured. Should it develop minor defects all it requires is a judicious application of minor reform.

2. The emergency measures of capitalism.

If events disproved the theoretical knowledge of the capitalist leaders, the emergency measures which they advanced and adopted to meet the situation furnished an even more emphatic illustration of their lack of economic understanding.

Paralyzed production, unemployment, trade decline, falling revenues and empty treasuries forced leaders of capitalist society to

take a stand. If capitalism was fundamentally sound it must have some program that would meet a worldwide catastrophe like the recession of 1929-1932.

Capitalism had such a program. It was followed, with minor variations, in every important capitalist centre.

The first item in the capitalist program for meeting hard times was the "protection of the investor." This took many forms, the most noteworthy being the payment of dividends out of accumulated surplus. Corporations, faced with decreased sales, were compelled to cut down somewhere. They met the problem by dismissing workers wholesale and using their accumulated surpluses to pay interest on their bonds and dividends on their stocks.

The effects of this policy were apparent in the United States in 1930. The amounts of factory payrolls fell from 111 in October 1929 to 81 in October, 1930. (Average of 1923-5 equals 100). That was a reduction in the returns to wage earners of about 25 per cent. At the same time, the average monthly payments of interest and dividends rose from \$632 million in 1929 to \$686 million in 1930, an increase of 8 per cent. Interest and dividend payments were \$925 million in January 1929. In January 1930 they reached the highest level ever reported for any month,—\$1,127 million. During the first recession year total payrolls fell sharply, while the payment of interest and dividends rose substantially to the highest point in the history of United States capitalism.

The first capitalist move for meeting hard times reduced or wiped out the incomes of large numbers of workers, while it continued the income of a very much smaller number of property owners. If these accumulated surpluses had been paid out in wages, at least 80 per cent would have been spent for current necessities such as food and clothing. Paid as interest and dividends to property holders a considerable portion of these funds were reinvested in a market already glutted with capital.

Such a step, decreasing consumer purchasing power and increasing investment funds, made hard times still harder. Obviously it was a salvage measure for protecting vested interests that intensified instead of alleviating hard times.

Wagecutting was a second relief measure adopted by capitalism. It is not easy to measure in figures the extent of wage cuts because it is quite impossible to separate the results of wage cuts from speed-up, part-time work and temporary lay-offs. The decrease in the total payroll reflects all of these factors.

Since the wage workers make up the bulk of consumers in industrial countries, and since at least 80 per cent of wages is spent for current necessities, each wage cut of a dollar decreased pur-

chasing power by 80 cents unless, in the meantime, there had been a cut in retail prices.

Since price reduction followed slowly and reluctantly after wage-cuts, the policy of decreasing wages and thus curtailing buying power, necessarily intensified hard times.

The policy of wagecutting has two other disadvantages. In the first place, competing countries, by adopting more drastic cuts, can force further wagecutting among their rivals. There is no bottom limit to this policy short of sheer starvation. In the second place, the declining standards of living which successive wagecuts involve, gradually reduce a population to a stage of malnutrition in which apathy and wretchedness swallow up every hope and strangle the desire for improvement.

The business world met the recession by a policy of wage reduction on one hand, and on the other, by a policy of maintaining prices. Since the prices of raw materials were falling steadily and quite beyond any possibility of control, the effect of the policy of price maintenance was to hold up the price of manufactured products and thus to increase the already wide gulf between the prices of the things which farmers and other producers of food and raw materials had to sell, and the prices of the things they had to buy. Wage cutting reduced the purchasing power of wage workers. Price maintenance reduced the purchasing power of farmers. Both policies decreased the market for commodities.

A fourth emergency measure for meeting the recession was increased tariffs and a program of national self-sufficiency. Tariffs and buy-at-home campaigns both serve to curtail world business by reducing trade and tying up ships. Even if the same amount of money is spent on actual purchases, there is a loss to merchants, traders, ship-builders and others engaged in international business activities. Tariffs may stimulate home production and restrict or prevent foreign competition in the home market. They cannot materially influence world prices, but they can and do hold up the level of home prices above the world level and thus act as a brake in some buying.

Since most capitalist nations had already adopted a system of high tariffs before 1929, it only remained for the British, in 1931, to complete the picture by going in for a system of tariff duties so high that they amounted, in many cases, to complete exclusion.

A fifth emergency measure adopted by the capitalist nations was rationalization. As times grew harder and the difficulties of selling goods increased, producers sought to meet the problem by cutting costs. They consolidated into larger and larger units,

closed old and inefficient plants, reorganized their methods of production. Above all, they introduced automatic machinery.

Rationalization reduced purchasing power by eliminating workers entirely and by substituting low paid unskilled workers for high paid skilled workers. Temporarily, of course, it made work for machine builders, but once the new machines were installed, the demand for workers was permanently reduced. The new machines represented large capital investment and therefore diverted a new portion of income from wages to interest and dividends. Rationalization cut costs, but at the same time it reduced purchasing power, and thus added to the difficulties of selling goods.

If rationalization had been carried out in a market that was calling for goods, like that of the Soviet Union in 1930-1931, it would have helped to stimulate buying and speed up the economic processes. However, the markets of the capitalist world were already glutted with goods when high pressure rationalization began. The result could only be an increase in the volume of excess productive power.

During the first year of the recession there was much talk of public works as a means of caring for the unemployed and of stimulating business. In Europe these public works programs included large housing projects. In the United States they included buildings, roads and bridges. In addition, United States railroads and manufacturing enterprises pledged themselves to carry out large programs of reconstruction.

The expenditures of 1929 and 1930 based on budgets adopted in 1928 and 1929 were far in excess of the decreasing income of public bodies and private businesses. Furthermore, the feeding of the unemployed and their dependents added a heavy and unanticipated item to public expense.

Even as early as 1930 Australia and other borrowing countries that depended upon the sales of raw materials for the payment of their bills, were feeling the pinch. By 1931 talk of expanded public works to furnish jobs for the unemployed had given way to economy campaigns. The salaries of government employees and officials were slashed; appropriations for health, education and other social services were reduced, and essential public works were abandoned.

United States railroads, which, in 1929, had so glibly pledged themselves to a general program of improvements and betterments, found themselves in 1930 and 1931 with incomes so reduced that they were forced to cut wages and increase freight rates in order to avert bankruptcy.

Restrictions of output is another emergency measure widely

adopted by capitalist interests to offset hard times. This measure requires no extension of the general working theories of capitalism.

Thorstein Veblen, in his book **The Theory of Business Enterprise**, pointed out that capitalism ordinarily practices a "conscious withholding of efficiency." That is, the steel mills, instead of producing all of the rails possible, fix a price for rails at a level which they consider profitable, and then produce only as many rails as they can sell at the established price.

This process of limiting output in terms of actual sales is generally resorted to in the trustified industries. The 1929-1931 emergency therefore necessitated no particular change of trust policy.

Where competition still prevails, as in the production of copper, rubber, sugar and petroleum, international conferences were called and efforts were made to agree upon a cut in production in each of the chief producing centres. Thus the principal copper producers of the world signed an agreement in Brussels, on Dec. 19, 1931 under which production during 1932 was to be maintained at 26 per cent of the maximum capacity of the various mines. Three-quarters of the world's copper producing capacity will therefore be idle during 1932 if the signatories live up to their agreement.

Much more serious difficulties have been encountered in restricting the production of such commodities as wheat and cotton, where operations are carried on by millions of independent producers. The United States Farm board, in statements issued in March, 1931, urged United States farmers to reduce wheat acreage, and similar efforts were made, but without any great success, to reduce United States cotton acreage.

Faced with a similar dilemma in the oil-fields,—many small producers pumping out oil and throwing it on an overstocked market,—the governors of Texas and Oklahoma called out the National Guard, took possession of the wells and announced that production would cease until a certain price level had been reached. While this use of the military to limit production was unique, it furnishes a good illustration of the lengths to which the capitalist world has gone in this emergency remedy for economic chaos.

One further emergency measure was proposed and adopted as a means of stabilizing prices during 1930 and 1931. The surplus was systematically destroyed.

Destruction was carried on privately by the tobacco farmers of Kentucky and wheat farmers of western United States. On the other hand, the Federal Farm Board, in September, 1931, urged the cotton farmers to plow under one-third of their crops, and the National Coffee Council of Brazil, on December 7, 1931, announced

that it would destroy 12,000,000 bags of coffee during the ensuing twelve months. While these efforts to destroy surplus stocks were confined to a few lines of agricultural products, they were generally advertised as emergency measures of meeting economic chaos.

The restriction of production and the destruction of surplus occupy a distinctive place in the list of emergency measures of capitalism, because they alone are in any real sense effective. Both invoke the principle of monopoly. Both proceed on the assumption that prosperity depends upon scarcity and high prices.

Cheapness and plenty leads to bankruptcy, not to profits. Under the price system of capitalism the production of quantity often spells ruin. Therefore, the machines and the workers required to produce quantity must be left idle, while the surpluses actually produced must be burned in order to boost prices to a profitable level.

If the emergency measures of capitalism were ever to prevent hard times, they should have succeeded in 1930 and 1931. In the United States, where the boom of 1926-1929 was the most spectacular, the Federal Reserve board, early in 1929, issued a storm warning. Immediately after the stock market collapse the leading business men of the country were called to Washington and organized to fight the recession which was then in progress. Their efforts at stabilization were followed by the most disastrous economic recession for at least 70 years.

3. Capitalist Planning.

The menace of disaster to capitalism that accompanied the recession of 1929-1932, coupled with the unexpected and startling success of planned economy in the Soviet Union, led to an outburst of proposals for planning under capitalism. There were to be five year plans, ten year plans, and even twenty years plans.

Most of the proposals ended where they began,—in talk. However, certain spokesmen for capitalism came forward with more or less complete planning schemes. The character of these proposals can best be judged by a summary of several of the more widely known capitalist plans.

One of the most elementary of the proposals is contained in the LaFollette Bill for the establishment of a National Economic Council, to be composed of 15 members appointed by the President, with the advice and consent of the Senate. The members of the Council are to be selected "from lists submitted by groups of associations and organizations representing the industrial, financial, agricultural, transportation and labor interests of the United

States." Not more than three members of the Council are to be selected from any one of these five groups. The members of the Council are to serve four years without salary, but are to be paid for all time spent on Council business.

The National Economic Council is assigned three functions:

- (1) To "keep advised with respect to general economic and business conditions in the United States."
- (2) To "consider problems affecting the economic situation of the United States."
- (3) To "formulate proposals looking to the solution of such problems."

An annual report is to be submitted and the Council may make special investigations.

The proposed National Economic Council differs little from the Federal Trade Commission. It is an advisory body limited to investigations and reports. The Interstate Commerce Commission and the public utility commissions of various states already exercise far more power than is proposed for the National Economic Council.

The plan proposed by Gerard Swope, President of the General Electric Company, goes considerably farther than the National Economic Council Bill. Mr. Swope's plan is built on voluntary trade associations. He proposes that "all industrial and commercial companies with 50 or more employers, and doing an interstate business, may form a trade association." (Hearings on Senate Bill 6215, 71st Congress, Part 1, p. 305). Presumably each such association will include the concerns engaged in one particular line of business.

The trade associations "may outline trade practices, business ethics, methods of standard accounting and cost practice." Members of those associations must keep their records on the prescribed forms and must submit quarterly, summaries to stockholders, showing their business position." (Idem). The trade associations will also collect and distribute information regarding the status of the various industries. Mr. Swope pointed out that these things are already being done in various trade associations.

The Federal Trade Commission or some similar body is to "supervise" the work of the trade associations. In this way "the public interest" is to be protected.

For the protection of employes there is to be workmen's compensation, life and disability insurance, old age pensions, unemployment insurance and the stabilization of unemployment. Workers who go from one concern to another can transfer their advantages. While there are no provisions regarding wage control, Mr. Swope insists upon adequate earnings, reasonable hours of work

and decent working conditions, (*Ibid*, p. 301) because "contented men, without fear in their minds, will do better work than those who have fear constantly hanging over them." (*Ibid.*, p. 300). The plan when enacted into law would require all concerns to accept its provisions within three years.

Replying to questions from members of the Senate Committee, Mr. Swope said that he hoped the government would never be in a position to fix the prices of the products turned out by members of the trade associations. The trade associations are to remain autonomous. "Trade associations in business are the natural organizations to study the economic elements of each particular industry. Each trade association should hold itself responsible for the coordination of production and consumption to stabilize its industry, with the consequent benefits to the employees and to society." (*Ibid.*, p. 313).

The LaFollette Bill proposal for a National Economic Council Mr. Swope characterized as "too big," and as "covering such a tremendous scope, agriculture, finance, trade, industry and labor that it seems to me that it puts it beyond the scope of any single group of men with their limited experience." (*Idem*). Mr. Swope's plan would leave economic affairs in the hands of autonomous, supervised associations, consisting of United States concerns engaged in the same general line of business.

A committee of the National Progressive Conference proposed a report on **Long-Range Planning for the Regularization of Industry**. The report was published by the **New Republic** on Jan. 13, 1932, over the signatures of Prof. John M. Clark, J. Russell Smith, Edwin S. Smith and George Soule.

The Committee hopes that collective economy can be avoided by introducing "collective planning into our existing system." (p. 3). Increased production is "the only general program that deserves the name 'national planning', or planning in the interests of the whole nation." (pp. 3-4).

The "objectives of national planning" include: increase of total production; increase in the proportion of the income going to the low paid; raising the lowest wage rates; improving or eliminating high cost concerns; stabilizing purchasing power; balancing productive equipment and demand; adjusting savings, investment and capital expenditure; stabilizing prices. These results are to be secured through a National Economic Board.

The National Economic Board, appointed by the President, with the advice and consent of the Senate, "should represent special types of expert knowledge rather than special economic interests." (p. 4). It should be the duty of the Board (1) To make a national-

wide statistical survey of the information needed for the national plan; (2) "to initiate organizing councils in the various major branches of production and distribution (including finance)" which "should be representative of all the essential interests involved," including organized labor, consumers, large and small producers, "and possible producers of raw materials"; (p. 5); (3) to cooperate in the organization of the plan; (4) to recommend any new legislation which may be required, (p. 5).

A second part of the committee's report deals with the development of the planning idea. The Russian Five Year Plan operates "under a system of compulsory socialization which we are not ready to imitate." (p. 7). Therefore we must seek for a planning formula "within our own economic system." (p. 5).

A more general exposition of the idea (p. 13) describes the National Economic Board as "a board of experts with functions of investigation, suggestion and correlation rather than with administrative duties and authority." In essence this differs very little from the aim of the LaFollette National Economic Council Bill.

These plans are, in reality, not plans in any general sense. They are either proposals for advanced forms of rationalization or else they are schemes for the establishment of fascism. As proposals for rationalization they aim to make the present economic order more efficient—more profitable to the owning class. As schemes for fascism they aim to subordinate the wishes and demands of labor to a general partnership between big business and the central government.

All of these plans are purely national in character. They either ignore or avoid the world problems which lie today at the centre of economic and political conflict. No prospective solution can be even seriously considered which fails to take world issues into account. It is, however, characteristic of all fascist schemes that they stop with the national frontiers.

Capitalist plans are built on trade associations or groupings of established business. They will therefore serve to increase and to concentrate still further the immense funds of wealth and power in the hands of the business class. They treat labor benevolently or tolerantly. Earnings of workers are to be protected by the big corporations. In some, but not in all of the plans, unions are to be tolerated. Essentially, the plans are burocratic in their outlook. All of the capitalist plans are voluntary or semi-voluntary. They are thus compatible with the doctrine of laissez-faire, and lack the possibility of effective administration. They read like paper plans, devoid of reality.

The plans suggested by capitalists take for granted the continuance of present property relations. These include:

- a. The private ownership of the means of production accompanied, necessarily by the piling up of surplus capital in the form of excess productive capacity and the increased concentration of ownership and control.
- b. The division of the owning class into competing groups, each operating within the boundaries of a sovereign nation-state.
- c. The preservation of the competitive relation between bosses and workers.
- d. The same system of income division between a favored owning class and a penalized working class, with its inevitable results—a classdriven society.

These aspects of private property in wealth and income are among the foundation causes of cycle economic fluctuations, of class war and of imperial war. The capitalist planning suggestions, therefore, do not touch the basic economic relations. They are plans for changing the type of salon decorations on a ship that has a hole in her bottom.

If each one or some combination of these capitalist plans were put into effect, conditions would be practically unaltered within each sovereign public state. The business class would continue in control of the means of production and in the receipt of profit, and under its direction each state would continue upon its line of economic, political and military expansion, checked only by the intensity of the class war within its own borders.

As for the world at large, its trade rivalries, struggles for raw materials and food areas, its conflicts over the lines of transport and communication, its colonial revolts and imperial wars would go on unhampered. World chaos would continue, undisturbed.

These capitalist plans leave the essential features of social organization where they were before the War of 1914 and the economic crash of 1929. The same forces are leading to a repetition of the same consequences in economic breakdown, destruction, mass murder and the disruption of individual and social relations.

The capitalist "plans" are not plans in any large sense. They are schemes for minor reform, dressed up to look like plans, and sold to the public under false labels.

4. Capitalism is helpless before economic chaos.

The conclusion is inescapable. While capitalism persists, business cycles will continue. Those who live and work under a system of business economy must expect to spend almost half of

their lives under conditions that involve economic break-down and hard times.

Now that capitalism has passed the peak of its maturity and has entered upon the period of its decline, are there any factors which would make hard times less inevitable, and therefore more easily preventable? Quite the contrary. If such disintegration factors appeared during the rise of the system, they should be more pronounced during its decay.

Such is the case. The years between 1920 and 1932 have demonstrated beyond question that in the countries where capitalism has advanced the farthest, and where its stabilization methods have been most generally adopted,—in Germany, Great Britain and the United States—the destructive effects of economic breakdown are most pronounced.

Capitalists are helpless to prevent economic chaos, because capitalist economy is, in its nature, unstable and chaotic. The breakdown of 1929-1932 is a normal phase of declining capitalism.

III. THE MARXIAN ANALYSIS.

Unlike the capitalist economists, the Marxian economists regard the economic breakdown as an indication of fundamental defects. They look upon it, not as a sickness to be cured, but as a warning of the progressive disintegration of the whole social system. These views are briefly expressed in the **Communist Manifesto**. They are elaborated in Marx's great work **Capital**.

The Marxians hold that the three foundation stones of capitalism are: (1) a relatively small class owning the means of production and deciding economic and political policy; (2) a system of production for profit under which the workers are exploited,—that is, compelled to provide rents, interest, dividends and profit for those who own the means of production; and (3) competitive production for an unknown, and therefore an undetermined market. Since the object of capitalist production is profit, and since rival capitalists are always competing for an unknown market, they will arrive periodically at a point of market glut or overproduction where the potential productive capacity is far greater than the purchasing power of the community. When this point is reached, production will slow down and prosperity will give way to recession and depression.

Capitalist countries, for more than a century, have passed again and again through these cycles of alternating prosperity and depression. As capitalism matured, however, it extended itself into

colonial areas—opening markets, investing capital, building up the extractive industries, transport, trade and manufacturing. This extension of the area of capitalism multiplied and intensified the internal contradictions of the system. Instead of future depressions affecting only the countries of western Europe and North America they were bound to be worldwide.

The extension of capitalism, in the form of imperialism, is a normal phase of the process of capitalist development. Large scale monopoly enterprise, using automatic machinery and scientific methods, easily and quickly overstocked the home market. When this point was reached nothing remained but to market surplus goods and capital in foreign countries, until they too were as heavily overstocked as the home market. So long as there were still undeveloped fields either at home or abroad for capitalism to exploit, it could go on expanding into these new fields. Since the area in which colonial development could take place was limited, its capacities were soon exhausted and after that the rival capitalist groups in various nations struggled fiercely for its control.

In order to find markets for the growing stream of industrial products, and investment opportunities for the growing volumes of new capital, capitalists were compelled to rationalize production, to build monopoly combinations and to fight with their rivals for the control of food areas, resources, transport facilities and markets. When this point was reached the Marxians contended that capitalism had exhausted its historical possibilities. It had fulfilled its historic function, and must thereafter disintegrate and disappear.

The continuance of capitalism beyond this point involves war, more frequent and more severe periods of hard times, increased exploitation, and a progressive degradation of the mass standard of life. The only possible alternative to this planless economic chaos of maturing or declining capitalism is a forward move to the next stage of economic development, in which the centre of economic concern is no longer the owner and the profiteer, but the worker and the creator. This advance to a higher economic stage will release new economic possibilities. It will extend the economic horizon and make possible a broadening of the standard of living. Such an advance involves the abandonment of laissez-faire and the building of a purposive economy.

IV. PURPOSIVE ECONOMICS.

Purposive economics differ completely from laissez-faire economics. The laissez-faire economist is an observer. The purposive economist is an engineer.

The premises of purposive economics may be summed up in three sentences:

a. The immediate economic task is to convert raw materials into goods and services and to see that those who need the goods and services obtain them.

b. The agency for fulfilling this task is a scientific adjustment of production and consumption.

c. The object of economic activity is to perform the necessary labor with the minimum of labor time, to guarantee a minimum livelihood and to provide a maximum of leisure or free time.

Under a system of purposive economics the community will decide what goods and services are necessary in any given month or year, and will then set up the technical and social machinery that is to produce and apportion these goods and services among groups and individuals. The whole economic process, instead of being left to accident and greed (supply and demand in the profiteering market) will be socialized and planned on a worldwide scale, just as the water system of London or New York has been socialized and planned on a citywide scale.

1. Economic forces can be controlled and directed.

Economic forces can be brought under the control of human will and directed toward a predetermined goal in much the same way that the forces of nature have been made to serve human purposes. It is the business of economists and other social engineers to decide upon the measures that are necessary to control and direct economic forces.

The human race has been controlling and directing economic forces more or less adequately for at least fifty centuries. Every centre of population, every family, every tribe, every village, every city-state, every nation has had its method of regulating the problems of livelihood. Families have determined the ownership, use and disposition of the land, tools and other materials upon which the living of the group depended. They have also established a division of labor in which men, women and children all had their allotted tasks. Tribes have restricted the use of their hunting grounds; limited the ownership of tools and weapons belonging to individual members; divided the food surplus according to tribal custom. Villages have regulated the use of wells, of common land and the grazing of animals. States and nations have exercised control over their local markets, their commerce, their industries. In many cases this regulation has been exceedingly strict. Egyptian history, for example, shows that under the Pharaohs of the later empire, all important sources of livelihood were

monopolized either by the state or by the temples, and elaborate regulations controlled agriculture, industry, trade and finance.

The preposterous idea that economic forces should be permitted to run wild, grew out of the struggle which the trading classes of Europe waged against the rigid economic policies of feudalism. The theoretical side of this policy was developed in France, its practical aspects in England. Laissez-faire, in theory and in practice, assumed that, since natural law is the best law, where economic forces are permitted to take their natural course, unhampered by human restrictions, they will result in the greatest net advantage to all concerned.

The system of natural law in the economic world has been tried out more or less generally for two centuries. Its results have spelled chaos and disaster.

The business classes of Britain, the United States, Germany, Japan and other capitalist countries, following out the policy of expansion, expropriation and exploitation dictated by an insatiable and unrestrained greed for wealth and power, over-ran Africa, Asia and Latin America; annexed the territory; seized the wealth; forced the natives to grant concessions to their foreign conquerors, and then treated them as inferior peoples. This policy of expansion and conquest filled the years from 1870 to 1914.

The better organized and armed nations, in half a century, made themselves political and military masters of the earth. Then, unable to agree on the division of the spoil, they fought the war of 1914, in which every important capitalist country played a part. The organized destruction and mass murder of those four and a half years were the logical climax of the mad struggle for wealth and power that free competition had engendered.

The laissez-faire idea was sponsored by the rapidly developing class of business profiteers, who followed the proposal to its logical conclusion, and on a cash basis built one of the most cold-blooded, repulsive social systems known to history. Communal regulation of commune lands and common rights disappeared. With them went communal obligations. The strongest and the greediest grabbed what he dared and held what he could. It was a survival struggle in which those who secured wealth and power lived in luxury upon the surplus values produced by the labor of the masses. The rich idler gorged; the poor worker starved in the next street. Automatically the community was divided into an owning class and a working class that fought with one another for the products of industry as wolves fight over a carcass.

The British experiments with laissez-faire cover some of the blackest pages of modern history. The descriptions of work and

life written by Frederick Engels, **Condition of the Working Classes in England**, and by H. D. Gibbons, **Industry in England**, are almost unbelievably dreadful. Natural law had its way. Greed ruled, unchecked. The results in child labor, long hours and revolting working and living conditions beggar description. The same story was repeated nearly a century later in the new industrial centres of India and China.

2. New economic principles in a new economic era.

The principles of national economy were written by Adam Smith and his followers, who were trying to provide a working formula under which business for profit could succeed. These men took the world as they found it and did their best to turn it to the account of the newly developing business class in whose interest they spoke and wrote.

The success of the early economists in drawing up working class rules for the accumulation of private profit must be judged in the light of the results. These early economists sowed the wind; their imperialist successors are reaping the whirlwind. They sowed laissez-faire; the world is reaping chaos. They sowed competition; the world is reaping monopoly. They sowed economic nationalism; the world is reaping a life and death conflict for national survival. They sowed the exploitation and oppression of the working masses at home and abroad; the world is reaping class war and colonial revolt.

Events have belied the predictions of the early economists. Instead of the cheapness and plenty which they saw as the end product of their competitive system, the world has entered a period of monopoly and scarcity. Evolution has driven the economic system rapidly from competition through trust capitalism to financial imperialism. Competition has been deposed. Monopoly has seized the throne.

The economic principles formulated by Adam Smith and his followers had a certain validity in the era of capitalist competition. As the capitalist system passed into its monopoly stage they lost more and more of their significance.

The working rules or principles of economic life are far more relative and more adjustable than the working rules or principles of the universe. In natural science the working rule that fits a particular case varies with the position of the observer. In social science the working rule that fits a particular epoch varies with the dominant characteristics of the epoch.

National economy, the science of Adam Smith and his successors, was built upon:

- a. The private ownership of the means of production.
- b. Competition among owners for markets, capital and labor.
- c. The exploitation of the working masses for the advantage of the owning class.

The only theory on which such a system could have been made acceptable to its victims was the theory of the fundamental rightness of natural law and of the consequent need for laissez-faire. Generations of practice have demonstrated that while the application of this theory heaps up profits for the favored few, its effects have devastated the lives of the masses.

On the threshold of a new economic era it is necessary to re-write the working rule of economics in terms of the new background.

- a. The social ownership of the means of production.
- b. Production for use, not for profit.
- c. The social use of income.
- d. The formulation and execution of a unit economic plan.

The methods best calculated to secure these ends are the principles of the new economy. They need have no more connection with the principles of capitalist economics than capitalist economics had with the principles of feudalism. The socialist economist is not restricted to the realm of private, profitmaking, laissez-faire economy. He formulates the working rules of his system in view of the limitations imposed by the dominant characteristics of the historic situation, and in view of the objective which he desires to obtain.

The historic situation confronting Adam Smith and his contemporaries was a western Europe in the early stages of the industrial revolution. Machine technique was in its infancy. The uses of steam were little more than suspected. Landed interests still controlled politics. The rising business class was actively bidding for power. The wage-working masses had not yet learned the first principles of organized action.

The present historic situation includes a world which stretches to the remotest corners of the planet—a world bound together by steam, gas, electricity. Automatic machinery is rapidly replacing the craftsmen of Adam Smith's day. The landed interests have ceased to play a leading role. Wealth and the control of economic life are concentrated in a small capital owning class. The landless, propertyless masses of dependent wage workers are steadily building their organizations and in country after country are actively bidding for power. They are spurred on in their efforts by intensified exploitation, the rise of mass unemployment, the constant

threat of war, and the desperate economic hardship in the principal colonial areas.

The objective of capitalist economy was the maximum profit for those who owned the means of production. The objective of communist economy is a decent livelihood for every member of the human race.

3.—The socialist goal: a decent living.

The economy of capitalism was laissez-faire,—competitive, planless, chaotic. The economy of communism is purposive,—cooperative, planned, scientific. It aims to guarantee a decent living to the race and to equalize livelihood opportunities of the new generation through the systematic organization of the available resources, capital and human energy.

Such a goal will not be reached by adopting any one set of theoretical principles. It will be attained in the course of the day to day effort to convert natural resources into goods and services, and to see that these goods and services reach those who are entitled to them. The working rules of communist economy must be drawn up with one eye on the experience derived in the course of socialist construction and the other eye on the immediate objective,—the next stage in social evolution.

The only justification for any new social order is that it enlarges the life-opportunities of the population. Communism presents immediate objectives that are worth living for and worth working for. The first is the pressing task of making the transition from capitalist imperialism to the next economic stage,—socialist construction. The second is the more difficult task of organizing a workable use economy. The achievement of both tasks necessitates a comprehensive economic plan.

V. ECONOMIC PLANNING.

Planning doubtless began in the cradle of the race,—planning to get food and to outwit enemies.

Economic plans were drawn up before history was written. The earliest records tell of contests for river valleys, mineral reserves and strategic trade centres; of irrigation and flood control; of schemes for land distribution; for the control of trade. In some of the early empires,—Egyptian, Chinese, Persian, Roman,—these economic plans included extensive land areas and tens of millions of people.

With the rise of western Europe to a position of world power,

economic planning has extended to great units of national and imperial economy: the German Customs Union; the French Republic; the British Empire. Monopolies, trusts, and cartels have pushed economic planning beyond the boundaries of states and empires into the international field, while the internal economic planning in the principal nations and empires has extended itself over widening areas of activity.

Economic planning in capitalist empires has been limited by political sovereignty and by the exigencies of economic competition. For these reasons it has proved impossible to draft a central economic plan even on a national scale, while a central world plan is wholly outside the picture. Responsible national organizations like the United States Chamber of Commerce and the Federation of British Industries have passed resolutions in favor of planning. There has been much talk of an economic plan for the British Empire. Since the War of 1914 the idea of a pan-European plan has received attention. A dozen international conferences, the most notable of which was the Geneva Conference of 1927, brought together the ablest leaders of the capitalist world to discuss international economic cooperation. Not one of these efforts has met with even a moderate degree of success. Within each state the competitive struggle for power between rival corporations and trusts continues, and among the nations the weapons of economic and military war are freely employed in the contest for world supremacy.

1. Is a world economic plan possible?

Planning has proved effective in small individually run businesses; in nation-wide and world-wide trusts and cartels; in one country (the Soviet Union) occupying a sixth of the globe. Can this principle be extended to include the economic life of the entire world? Is world planning possible?

The problems presented by world planning are larger and more complex than those of local planning. More individuals and productive units are involved, a greater complexity of living standards, customs, languages. The underlying principles of planning and the technique for putting those principles into practice remain the same.

The task of world planning is to attain a given objective by the use of given means in a given historic situation. If the technical conditions existing in 1928-1932 made an economic plan workable in the Soviet Union, then undoubtedly they make a plan workable in other centres of equal development. The problem of world

planning is not chiefly a problem of human ability to plan but of historic readiness for planning.

2. The elements in a world economic plan.

Certain definite steps are necessary to replace economic world chaos by a planned world economy. These steps must be taken before planning on a world scale is historically workable.

The first step is to organize an effective group whose interests would be advanced by efficient production and rational distribution. Until such a group throws the driving power of its mass membership behind the movement, the present ruling class will retain control of the means of production, of the state and of the agencies of propaganda.

The capitalist class is prevented, by its system of organization, from planning on a worldwide scale. The capitalist world, in the first thirty years of the present century, demonstrated its inability to put general interests above particular interests. Under capitalism, viewed nationally, the centre of interest is still the individual profiteer or property owner, or, in world terms, the ruling class operating within the boundaries of an individual nation. This concentration of sovereign power in the individual human being and in the individual nation made it impossible for the world of capitalist imperialism to plan its economy beyond the narrowest limits. Worse still, it placed the competitive struggle within each capitalist state and between the ruling classes of rival capitalist states ahead of any general interest. Internal and international conflict took precedent over internal or international cooperation.

What group is there whose economic interests would be furthered by a system of planned, world economy? Obviously, there is only one,—the wage working masses, whose labor maintains and improves the system of machine production. It is this wage working mass that must provide the driving force for sweeping away the wreckage of a declining capitalism, and for the construction of a socialized planned economy.

The basis of planned economy is the complex,—a coordination of economic and social factors into a functioning social unit. In its simplest form the complex is a group of industries scientifically related to a power centre and to each other. In its most advanced form it is the working unit of socialist construction, a complete working-living-health-education-recreation plant.

The first technical step toward the establishment of such a system of complexes on a world scale is a careful world inventory of natural resources; of food and raw materials; of tools and machinery; of production levels and trends; of population; of living

standards. Such an inventory would give a genuine picture of the world's economic possibilities, with detailed information for each particular locality.

The second step in world planning would be a budget. On one side of this budget would appear the world's needs and wants. On the other side would appear the actual or potential supplies of goods and services that might be used to satisfy such needs and wants. Thus, on the demand side of the budget would appear certain quantities of wheat, flour, bread; of leather, rubber, cotton, shoes; of clothing; of utensils; of papers, books, magazines, of victrola records. The sum total of these goods for each town and district as well as for the world at large, would constitute the probable demand for those goods during the year.

The budget on the supply side would detail the available supply of wheat, flour, bread, cotton goods and others, specifying the costs involved in getting these materials from their places of production to the people who wished to use them. The sum total of these raw materials, semi-finished and finished goods would constitute the apparent supply of goods for the year.

A balanced budget would be one in which the demand for all commodities equalled the supply. In the case of one commodity, —wheat, for example,—it would be a budget in which the demand for wheat,—2,000 million bushels—was equalled by the available supply of wheat. So, in the aggregate, the entire demand would be scientifically adjusted to the entire supply. Instead of balancing in a way to show a profit, the budget would be balanced in such a way as to provide an amount of goods and services adequate to meet the demands of the world population.

The budget would perform another very important task by dividing the national income on some agreed basis among: (1) consumption of goods; (2) insurance and other contingent funds; (3) the improvement of equipment in existing industries; and (4) the opening of new industries. By this means a definite relation would be maintained between consumption and production and provisions made for contingencies and for improvements.

Such a world budget would include a local budget for each complex and other production unit, so that each shoe factory, each wheat farm, each mine and each economic area would have an assigned income in goods and an assigned production quota with which to pay for its food, clothing and books.

At the end of each day, or week, or month, or year, a balance would be struck to indicate whether the economic unit in question was solvent,—was meeting its economic obligations. Such a procedure, now followed by individual industries under capitalism,

would provide a daily or weekly yardstick for determining whether a given economic unit in a socialized world was or was not paying its way.

The third element in an economic plan would be the organization of the detailed functioning of the economic machine; the rationalization of the extractive, fabricative and transport industries; the establishment of a system of exchange based upon units of socially necessary labor; the distribution of income between social groups and in each group among individuals; the setting up of necessary administrative machinery to achieve those important results.

Such a system of planning would make economic life the subject of conscious social direction in the same sense that political life has become the subject of conscious social direction. It would employ discovery and invention to raise the standard of social wellbeing. It would exemplify the saying: "The conscious improvement of society by society."

Can the economic life of the world be thus planned and organized? Is such a project feasible?

Certainly a world inventory can be made. Ambitious beginnings in this direction are to be found in the statistical publications of various public and private agencies. Five years of careful census taken by a competent body of experts should give a very exhaustive analysis of economic conditions underlying the lives of nine-tenths of the world's population. The remaining tenth, living in more remote districts, would come more slowly into the picture.

A world budget could be prepared at the same time that a world inventory was being taken. At the outset, this budget would do little more than to record existing economic relations and tabulate the movement of economic forces. As the movement in the direction of a world economy gained headway, however, those responsible would be able to plan more and more effectively.

After the world inventory and the world budget, as the technical means of putting a world economic plan into operation, comes the third step—the organization of production. In order to fulfil an economic plan the human race must reorganize the mechanism by means of which natural resources are converted into the food, clothing, shelter, and other goods and services upon which livelihood depends.

VI. THE ORGANIZATION OF PRODUCTION.

Each day the storehouse of nature is tapped. Crops are gathered; metals and minerals are mined; commodities are fabricated, transported, marketed; each day, with the aid of water, air, light and

other forms of radiation, resources laid away for ages, are turned into goods and services that will be useful to man.

The activities which are involved in converting nature's stores into usable goods and services are carried on by tens of millions of individuals, some working independently like the hunter and the farmer, others working in tribal, village, city, or at most national groups. The favorite group of the present day western world is a trust, syndicate or cartel, like Standard Oil or German General Electric or International Nickel, organized in one nation and extending its profit making operations across an empire, into competing nations and into undeveloped territories. Some powerful banking groups control several such profit making units. Never, during the period of recorded history, have these tens of millions of producers all over the world coordinated their efforts. Never have they worked in accordance with a general economic plan.

Production cannot be really effective until such a general economic plan has been drawn up, agreed to and put in operation. On no other basis can the principles of science be applied to livelihood.

1. The scientific production of goods and services.

Effective economic planning will lead to greater efficiency in the organization of production. That is, people will be able to make a living with a minimum expenditure of time and energy.

Such results cannot be secured in a minute. The race must work toward the efficient organization of production. Their success may be measured by certain tests: (1) increased wellbeing of the workers engaged in production; (2) the development of a system of commodity preferences under which goods of greater social importance are produced before goods of lesser social importance; (3) regional specialization and the production of all goods in the region of lowest costs; (4) the full-time use of all productive tools and machinery; (5) the decreasing of unit production costs, measured in labor hours; (6) the adjustment of the volume of product to the level of normal demand; and (7) allowances and adjustments to meet seasonal and cyclical fluctuations. These seven points cover the outstanding maladjustments in the existing productive mechanism, and it is along these lines that advances must be made.

The leaders of capitalist economy, within each of the capitalist countries and at various international conferences, have tried, during recent years, to "rationalize" their productive system. They have closed inefficient plants and concentrated their production in those plants that yielded the maximum profit. They have specialized in those products that paid the largest profit. They have

installed automatic machinery and have introduced the "belt" and other methods of mass production. Through monopoly control they have limited the supply of various goods to an amount that would yield the maximum net (or monopoly) profit. They have reduced direct production costs and increased selling costs,—by more extensive use of machinery, by paying lower wages, by advertising more extensively, by selling on the installment plan.

These steps in capitalist rationalization have increased productive power, centred wealth in the hands of the ruling class and subjected the working class to more intense exploitation. They have therefore accentuated the difficulties against which they were directed and have aggravated the worldwide economic collapse of 1929-1932.

No other result could have been anticipated. The limitations imposed by the pursuit of profit, by national boundaries and by the duplications and wastes of competition, drive the votaries of capitalism into one economic crisis after another. Capitalist rationalization must always be undertaken along the lines of class interest and must therefore be subject to the drastic class conflicts which class lines always imply.

The economic catastrophe of 1929-1932 showed the effects of capitalist rationalization. The problem, under the name "scientific management" has been discussed for half a century. The capitalist interests, which have had complete control of the world during that period, were in a position to adopt what measures they would and could. The methods that they have followed,—competition, monopoly, profit economy—have led, not to a planned, efficiently working order, but to chaos and disintegration.

The central economic problem before the world today is the organization of a system of production that will convert nature's stores into goods and services, with a minimum expenditure of energy and of wealth and a maximum return to those who carry on the work of conversion. The world is in desperate need of scientific production.

2. Scientific world production.

Among the seven tests of the efficient production organization proposed in the preceding section three are of supreme importance in the scientific organization of world economy. They are:

- a. Regional specialization,—production at the points of lowest net cost.
- b. Adjustment of production to demand, especially in the case of raw materials and necessary food and clothing, and
- c. Adjustments to meet seasonal and cyclical fluctuations.

There can be no regional specialization in production until there is effective centralized control. Under the capitalist system of production a commodity like cotton yarn may be produced at a dozen different points in the United States; twenty points in England; ten in Germany; half a dozen in China and India. Even within one country, the United States, for example, there is no scientific way to determine these points of production. Between competing areas, such as New England, the Carolinas and Southern California, or between competing nations, such as the United States, England, Germany and Japan, the plant and machinery needed for the production of cotton yarn and of cotton goods are duplicated again and again.

All goods and services,—cotton yarn included—should be produced at the points of lowest net costs. If the points are the regions about Shanghai and Atlanta, Georgia, world production should be concentrated at Shanghai and Atlanta until cotton yarn can be produced elsewhere for a smaller outlay in time, energy and materials. Regional specialization is the cornerstone of the efficient organization of world production.

Adjustment of supply to meet demand is an equally important principle of a world economic plan. Capitalism produces competitively for an unknown, and therefore for an undetermined market. An essential part of any world economic plan would be the determination of demand and the organization of a supply, produced at the points of minimum cost, to meet that demand.

With production points established at the points of lowest cost and supply adjusted to demand, there would remain the problem of seasonal and cyclic fluctuations. With seasonal fluctuations the capitalist world has dealt to some extent. But cyclic fluctuations take their toll in want and suffering, unchecked by capitalism. Indeed, the unregulated competitive processes of capitalist economy are directly responsible for business cycles and for price cycles. There seems to be no good reason why the business cycle and the price cycle should not disappear under a socialized planned economy. Granted for the moment, that cyclic fluctuations will continue under a socialized planned economy, provisions could be made during the fat years to meet the deficits of the lean years. If there is to be want and suffering as a result of economic fluctuations they should be shared by everybody.

The scientific organization of production must begin with a world inventory. Following that inventory there will be a study of production costs. The production cost study will indicate the areas in which the principal staples can be most economically produced. If, for example, there are twenty yards equipped to build

ocean-going ships, and if the world's demand for steamers can be met by 15 of these shipyards it would clearly be advantageous to close 5 of the yards and carry on production in only 15. In which 15? The cost study will supply the answer.

The inventory provides a record of economic resources. The cost study classifies the resources in terms of their relative usefulness.

The next step in the scientific organization of production is the redistribution of world production in relation to regional costs. The redistribution of productive power would include: the concentration of production in the low cost plants; the direction of new capital outlays into the low cost areas; the dismantling of abandoned plants or their conversion to other uses. When these steps had been taken world production would be efficiently organized in terms of plant location.

Four other important steps would be in order: (1) the stimulation of initiative and invention by an adequate provision for research; (2) the development of a system of education that would stress science and would hold the doors wide open to all students who displayed socially useful talents; (3) the determination of a ratio of improvement and the setting aside of a corresponding percentage of the annual income (or product) to cover the costs of such improvements and betterments; and (4) adequate reserves for trying out and, where successful, adopting and developing new processes, machines and other products of the research laboratories.

Such an organization would place the engineer above the banker. It would make social advantage and not private profit the determining factor in the success of the economic system.

One other factor must be mentioned in connection with the scientific organization of production,—the training and selection of qualified workers and managers. The scientific organization of production is an extensive task that depends upon the cooperation of many skilled and technically trained persons. One of the essential factors in the success of such an organization must be the system of training and selection that will provide the necessary number of skilled, trained workers. Trade schools, special courses, higher technical schools, apprentice shops and systems of part-time school and part-time shop must be relied upon to train. Selection must depend upon competitive tests and examinations that can be relied upon to pick the qualified man for each job.

3. A decade of Soviet experience.

Until 1917 the scientific organization of production and the shap-

ing of economic activity in terms of a unit economic plan were theoretical abstractions. Since 1920 the Soviet Union has made them concrete realities. Across the 8,000,000 square miles that make up the Soviet Union, and among the 165,000,000 people who live in this territory, a unit economic plan is in actual operation, and production is being scientifically organized.

The reader must not jump to the conclusion that the Soviet economic plan is perfected or that the organization of Soviet production is completed. On the contrary, both planning and organization are in an early stage of development. But, through more than a decade, planning and organization have been in progress, and the position in 1931 is far in advance of that occupied in 1921.

With the exception of some agriculture and some handcraft industries, the means of production have been socialized in the Soviet Union. Mines, factories, railroads, banks, machine shops and stores are social property, in the same sense that schoolhouses are social property in most capitalist countries.

Appropriate departments and bureaus control and direct this vast productive organization just as they control and direct schools and post offices in the United States. The method of direction varies. The fact of social direction remains at the centre of the Soviet system.

Soviet economic life is directed in accordance with a plan that is drawn up in outline by a general staff of experts, submitted to various local planning bodies, on which the trade unions are always represented, and to groups of workers in factories and mines; checked over and reviewed; redrafted by the experts and finally adopted and promulgated as the economic plan for a period of months or years. Each production unit,—each mine, factory, mill and railroad division—has a copy of its share in this plan and therefore knows what is its part in the total task. Day by day and week by week actual production records are chalked up side by side with the production quotas under the plan, and each worker knows therefore whether the plan is being or is not being fulfilled. A sixth of the world's area is thus living and working under a system of planned economy.

Through the first decade of planning, the workers in the Soviet Union were compelled to use old machines and antiquated factories and to carry on the work of socialist construction with the technical shell that was built while the Soviet Union was still a capitalist empire. Toward the end of the decade, however, the economic shell, built in pre-revolutionary Russia, was pierced and

broken in many places, as the structure of the new economy gradually took form.

The simplest unit of this structure was the local production unit—the socialist city, as it is called. A number of these socialist cities are under construction, and at least one is practically completed. Each city is designed to provide for a limited population of 35,000 or 60,000 people,—for their work, food, shelter, education, recreation. In these cities the Soviet authorities expect to develop a race of normal, healthy, sturdy human beings, free from poverty, overwork and the worries and uncertainties incident to a chaotic economic order.

The socialist city will be the social unit of which the new society is constructed. Just as the old Russian village was built up of households, each having its own yard, so the new Soviet life will be built up of socialist cities, each having its own sphere of social life. The socialist city is thus the cell or local social unit of socialist construction.

Next in size, among the units of Soviet planned economy, is the production complex. Around a coal area, like the Don Basin, or around a water power project like the Dnieper Dam will be grouped scores or hundreds of socialist cities, each responsible for performing some specialized task in the sum total of economic activities that are knit together about this unit of power.

A third unit of Soviet planned economy is a production area,—the Ural-Kuzbas territory, for example. In this area several great power centres will serve as the nuclei about which the various socialist cities are grouped and will be linked together in a coordinated economic structure, providing its raw materials and food supplies, maintaining its own transport systems, equipping its own factories and mills, providing most of the life essentials for its own population.

Finally, the work of these production areas is coordinated under the central economic plan of the entire Soviet Union. The central economic plan of the Soviet Union, in its turn, will be one of the units of a planned world economy.

Serious technical obstacles have retarded the working out of a planned economy in the Soviet Union. Among them have been:

- a. The lack of skilled, trained men and women.
- b. Over-concentration, red tape and bureaucracy.
- c. The failure to preserve local initiative, especially among isolated groups of workers.
- d. Lack of uniformity in accounting and reporting.

Like any other technical problems, these issues can usually be met, provided they are correctly analyzed. In the Soviet Union,

the coordination secured by the general adoption of Marxian formula and terminology have greatly facilitated the handling of these new problems as they arose.

VII. A TASK FOR THE WORKERS.

Some of the most difficult and important tasks ever attempted by the human race are to be met with in the field of purposive economics. The scientific organization of production; the drafting of a comprehensive economic plan; the formulation of general principles that will be sufficiently broad to cover the needs of a cooperative world economy,—all will tax to the utmost the experience and the genius of this generation of economists. The pick and shovel work involved in the actual transition from a bankers' world to a workers' world will strain the resources of the mass revolutionary movement.

Whatever the difficulties and dangers involved in building communism, social evolution has advanced to a point where there is no other way. Behind are the falling walls of a disintegrating capitalism. Ahead is the promised land of a communist society.

1. Changes in the form of economy.

Human beings, in the past, have secured their living in many different ways. They have picked berries and fruits; hunted and fished; domesticated animals; cultivated the soil; converted clay into utensils; shaped metals into implements and weapons; busied themselves with trade; changed and loaned money. During historic times several of these livelihood methods have been combined into a village economy, a city-state economy, a national economy or an imperial economy. The national economy was more complex than the economy of the city-state. Imperial economy was still more involved. The terms, "tribal," "village," "national," as applied to economy, are used to show that livelihood activities of the people centre in these particular units of social organization.

The type of economy varies. Village economy still predominates in Asia, although national economy has developed to some extent. National economy predominates in the Balkans and in parts of Latin America. Imperial economy has replaced national economy in western Europe, the United States and Japan.

Changes in the type of economy correspond to the changes in the means of producing a livelihood. These in turn are the result of invention and discovery.

The inventions and discoveries of the past two hundred years

have transformed the means of producing livelihood by developing power driven machinery and by utilizing electric energy. The result has been a profound and rapid change in the form of economy.

The nineteenth century world was dominated by imperial economies competing with economic, political and military weapons for world supremacy. Each imperial economy, in its turn, was dominated by a system of competitive monopolies, privately owned and run for the profit of a ruling class which carried on its exploitive activities behind tariff protected and fortified national and imperial boundaries.

The twentieth century has witnessed the development of a new type of economy. Within the Soviet Union, hedged about by bitter hostility and subject to boycott and military attack, the working masses have begun to build a socialized, planned economy, using the machine technique and the methods of organization developed in the industrial empires, but directing them toward social wellbeing instead of private profit. The notable advances made by Soviet economy during the world economic crisis that began in 1929 suggest the possibility of speedily extending this economic method to a world scale, and using it to feed, clothe, house and educate the human race.

2. The workers must take the world as they find it.

Much criticism has been directed against Soviet leaders on the ground that they were turning back to capitalism. The basis of this criticism is the use of money, of wage rates, of piece-rate payments, of a price system, and of other organizational devices of capitalist society. Such devices, argue the critics, are the tools of capitalism. They have no place in a communist society.

Social engineers, working at any stage of social history, must use the means available at that stage. They may invent and reconstruct step by step, but at each moment they are subject to the limitations imposed upon them by that particular historical stage.

Workers, organized for the purpose of sweeping away the remnants of capitalism and beginning the building of a new society are limited to the tools that they can find, or invent. For the most part they must use the tools they find, even though they were the dearest treasures of capitalist society. Blast furnaces and gas engines, bookkeeping and cost accounting will be adopted as a matter of course. So will wage rates and bonus payments, one man management and rigid discipline on the job. In many instances these tools and methods will be improved and used even

more extensively than they are at present.

When the business classes were driving feudalism out of Europe they did not cut down the olive groves and vineyards or scorn the methods of agriculture that had grown up in feudal society. They took them over, made what use of them they could, and modified and improved them as they were able. It was the tyrannies and restrictions of feudalism that the revolutionary classes were out to destroy.

The workers, in the course of their revolution, will need all of the tools of capitalism until they can make better ones. It is the tyrannies and restrictions, the duplications and wastes of capitalism, that the workers are out to destroy. Many of the technical methods developed under capitalism will be used for generations after the capitalist system has disappeared.

3. Those who wish to eat must work.

The keynote of the workers' world will be: those who wish to eat must work. For ablebodied adults in the workers' world the only legal way to secure the necessities and comforts will be to render some productive or useful service.

Under capitalism those who wished to enjoy the good things of life were compelled to own the means of production and to rely, for the bulk of their income, on the wealth produced by the working masses. Since income increased in direct proportion to ownership, those who owned the most property received the largest incomes while the incomes of those who did the world's work were in many cases so small that they kept those who received them constantly below the poverty line.

In a society where those who wish to eat must work every individual will be judged in accordance with the service he renders to his fellows. He who serves most will receive most both in material goods and in social recognition.

The workers in each community will determine who has and who has not rendered social service. They will set the standard of values against which individual performance is to be judged. Property and income will no longer be the deciding factors in determining the consideration to which men and women are entitled from their fellows.

4. The workers as the court of last resort.

The workers do not ask leave of anyone. They do not appeal to legislatures, courts, governors or presidents. There is no authority in the world that will sanction their necessary work of

social reconstruction. They are their own authority. They are the court of last resort.

The workers in one part of the world can expect help from workers elsewhere. The workers who are still struggling under the tyrannies of capitalist exploitation can expect help from those workers who have freed themselves from the trammels of capitalism and who are engaged in the task of socialist construction. But the masters of capitalist society, abroad as well as at home, will fight back each effort of the workers to set up a socialized, planned economy, because in such a system exploiters play no role, and have no place.

In the struggle for a socialized, planned world economy workers must appeal to workers. The source of authority, in such a society, must be the workers themselves.

The workers, in the struggle to build a socialized planned economy must find their authority in the experience of those working class groups that have preceded them in the work of socialist construction and in their own day to day experience. Out of this experience they must formulate a program, a strategy, tactics.

The program must include a statement of the object sought,—a decent living for the human race and of the means through which this objective is to be attained,—the building of a workers' world. Workers who seek authority for their acts must derive the authority from the program of the proletarian revolution.

The strategy of the movement is a description of the road that must be followed in order to reach the desired goal—the general directives, the broad outlines of policy.

The tactics of the movement are the steps along the way to a socialized, planned world economy,—the day to day moves; the unit combats. Each one of these day to day efforts must be related to the main line of advance, and that main line, in its turn, must always point toward the goal,—the final objective of the entire working class campaign for a new social order.

Here is all the ticket-of-leave which the organized workers require. Here is their authority,—a program, a strategy, a tactic for daily struggle.

At the outset, only a few workers will realize the importance of such a program. The great majority will continue to believe that something can be done under the old social order. As imperialism runs its course, as the breakdown of capitalism becomes more pronounced, a greater and greater number will be forced to see that the only way out of the impasse lies through organized efforts of the workers to build a socialized, planned economic order.

At the outset, therefore, the movement will be led by the small

minority which is conscious of the role which the workers must play in building the new society. This class conscious minority will avail itself of every opportunity to enlighten and arouse the masses as to the character of the struggle that lies before them.

Step by step they will draw the masses into the revolutionary movement, first into trade unions, into defense organizations, into other aspects of the labor movement. Then into the organization that is leading and directing the struggle.

The workers are entering a new world. They are pioneers, making their own paths, constructing their own bridges. But they have a goal and a plan for reaching that goal. It only remains to build according to plan.

5. The workers design and build a socialized planned economy.

The concrete task of the workers is to design and construct a socialized planned economy. From capitalist society they inherit the automatic machines and the forms of organization with which such a result may be achieved. Out of the fervor of the proletarian revolution they will draw the energy with which to sweep capitalist imperialism from power. With the technical equipment developed under capitalism the workers will lay the economic foundations and erect the superstructure of communist society.

There is no other way.

Capitalism is decaying—breaking up. The masses all over the capitalist world must either drift through war, disease and starvation into dark ages of agricultural village life or else they must follow the lead of the Soviet workers along the rugged path of socialist construction toward a communist society. It is along this path, difficult and dangerous though it may be, that the future of the human race lies. It is the one way out of exploitation, war, hard times and the chaos of capitalist imperialism.

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VI

STOPPING A WAR

The Fight of the French Workers Against
the Moroccan Campaign of 1925

by
SCOTT NEARING



SOCIAL SCIENCE PUBLISHERS

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CONTENTS

1. ANOTHER WAR!
2. BIG BUSINESS AND THE RIFF OFFENSIVE.
3. FOOD FOR CANNON AND FOOD FOR THOUGHT.
4. WHAT COULD THE WORKERS DO?
5. THE COMMITTEE OF ACTION.
6. PROPAGANDA IN THE CHAMBER OF DEPUTIES.
7. DORIOT NAMES THE CAUSES OF THE WAR.
8. INTERNATIONAL COMPLICATIONS.
9. DORIOT TELLS THE SOLDIERS TO FRATERNIZE.
10. FRENCH IMPERIALISM GIVES ITSELF AWAY.
11. SET MOROCCO FREE!
12. THE PRESS BARRAGE.
13. A FRONTAL ATTACK ON IMPERIALISM.
14. FRATERNIZE!
15. BEHIND THE CAMPAIGN, THE WORKERS.
16. THE IMPERIALISTS FIGHT BACK.
17. WORKING CLASS ACTION AGAINST WAR.

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STOPPING A WAR

1. Another War!

French workers faced a new war in April, 1925. To be sure, it was not a first class war, but merely a military struggle with a handful of Moroccan tribesmen. Still, it was war, and the international celebrations on May Day broke in upon the French preparations for the Riff campaign.

When Northern Africa was divided among the European empires, the homeland of the Riff tribesmen fell within the Spanish "Zone." The Spaniards are indifferent colonizers. The Rif-fians, who are sturdily independent, after some severe fighting administered a severe defeat to the Spanish troops.

Having won his struggle against his Spanish "neighbors" Abd-el-Krim was free, during the opening months of 1925, to turn his attention to the aggressive activities of the French forces under General Lyautey.

2. Big Business and the Riff Offensive

French big business, like big business in other capitalist empires, directs French foreign policy. The Riff is an interesting illustration of the workings of this general rule of modern statecraft. There too, the French bankers, the French Ministry, and the French General Staff have worked hand in hand.

The essential economic relations existing between French big business and the Riff were ably stated in the French Chamber of Deputies by Jacques Doriot, who has played so large a part in the stand of the French workers against the Riff War. He brought these facts to the attention of the French Deputies in his speech of February 4, 1925,—two months before the opening of the Riff War.*

The *Banque de Paris et des Pays-Bas* is one of the most powerful commercial banking institutions in France. With its Standard Oil backing, it is able to exercise an immense influence over the industrial and political life of France. This bank controls over half of the 483 million francs of French capital invested in Morocco.

The *Banque de Paris* controls the bulk of this capital directly. A small amount is handled through subsidiary companies.

*Jacques Doriot, *Les Impérialistes et le Maroc*, Librairie de l'Humanité, 120 rue Lafayette, Paris, 1925, pp. 13-24.

Two of the directors on the Board of the State Bank of Morocco (one of them the managing director) are directors of the *Banque de Paris*. During recent years the average dividend on the Morocco State Bank Stock has been 20 per cent.

The *Banque de Paris* also controls the Commercial Bank of Morocco. Four of its directors sit on the Board of Directors of the Moroccan railroads. It holds interests in the Franco-Spanish Fez-Tangier Railroad and dominates such electrical companies as the *Société Général d'Energie Electrique*. The *Banque de Paris* also controls the Moroccan breweries, the Maghreb Milling Company, which has a monopoly of the Moroccan flour trade, and the Municipal Slaughter House Company which controls the cattle market and has the concession for constructing slaughter houses, markets, etc. The *Banque de Paris* also has interests in three important land companies and in a number of construction companies. It is likewise interested in the Moroccan International Tobacco Company.

Besides these widely scattered business enterprises the *Banque de Paris* controls the *Compagnie Général du Maroc*, whose chairman is also chairman of the *Banque de Paris*. The *Compagnie Général*, with a capital of twenty million francs, engages in "all operations likely to favor the development of Morocco."

Altogether the *Banque de Paris* controls at least twenty-five companies in Morocco. Thus this financial organization is not only a power in French economic and political life. It is, to an even greater extent, a power in the economic and political life of Morocco.

Morocco has proved a lucrative field for French capital. At the moment, attention is centred on certain iron deposits which are presumably very rich. While these deposits have not yet been fully tested out, similar deposits in Algeria and Tunis produce ore containing 50 per cent of metal, and the iron mining companies in these two countries have been paying as high as 150 per cent in dividends.

Spain, defeated in her efforts to retain a foothold in Morocco, turned over her iron ore concessions to the *Banque de Paris* group of French business men.* The military defeat of Spain meant the economic triumph of the *Banque de Paris*, provided the French army could do what the Spanish military forces had failed to do—subjugate the Riff.

**Labour Monthly*, August, 1925, pp. 492-493.

This is the economic background of the Riff War. French business wanted to see Spain lose in her fight with Abd-el-Krim. That gave French business the mines. French business wants the Riff whipped into line. Otherwise the mines cannot be profitably worked.

3. Food for Cannon and Food for Thought

During the years that preceded 1914, millions of workers all over Europe had striven to prevent another war. One of the greatest leaders in this movement, the Frenchman, Jean Jaurès, gave his energy and finally his life in the struggle against war and militarism.

After four years of carnage, the reasons for anti-war activity were plainer than ever, and while it was true that many of the militants had died and many more had lost faith, among those who remained the hatred of war was stronger than ever. As for the masses, they were learning that if the workers were to prevent a repetition of the horror of 1914 they must be prepared to act in their own behalf.

France was one of the chief sufferers during the World War. With her million and three-quarters of soldiers killed on the field of battle, with her long lines of mutilated men, with her ruined cities, her desolated countryside and the intolerable burden of debt heaped upon the people as a result of the struggle, Frenchmen had good reason to know the costs of war.

Among the workers peace sentiment is always strong. They know from bitter experience that they must not only do the fighting at the front, but that at home, when the blood-letting is over, they and their descendants must pay for the war. To the intelligent worker in modern Europe war cannot be justified without a lot of explaining.

Home and country seemed to be threatened in 1914. The World War easily became a war of defence in the minds of French workers and peasants.

The Riff War of 1925 was clearly a war of aggression. The soil of France was neither invaded nor threatened by the Riffs. The Riff campaign was a part of the effort of French imperialism to extend its power over North Africa and particularly over the Riff minerals. The majority of French workers and peasants were not even remotely concerned in the outcome of such a conflict.

Had there been no working class press in France and no understanding of the sweep of modern historic forces these facts might never have reached the French masses. But the French workers had learned their lesson in the bitter days following 1914, and in 1917 the Russian Revolution had broken across the world.

4. What Could the Workers Do?

Hostilities began between the French and the Riffians during April, 1925. Officially the date is April 28, although there is some dispute concerning the exact day. On May Day, 1925, the French armies were again taking the field. France was at war.

There were many apologists for the Riff War. French journalists described it as an effort to maintain French "prestige" in North Africa. French politicians insisted that the unstable Painlevé Ministry did not want the war but considered it an inevitable phase of French colonial policy. French militarists accepted the struggle as a welcome relief from the years of inaction that had followed the signing of the Armistice. To official France, a war was a war.

But to the French workers war meant higher prices, higher taxes, privation, suffering, death. Millions of them were ready to oppose the Moroccan campaign.

When the Riff War threatened, multitudes of French workers desired to prevent it. When it broke out they wished to stop it. They knew that the imperial government of France had forced the war and that the imperialists would not make peace until their economic objectives had been attained. They were equally certain that the League of Nations would do nothing to enforce peace. The unrebuked rape of Egypt by Great Britain during the preceding year was too fresh in their minds to allow them to have many illusions about the usefulness of the League in a war crisis forced by one of the League's leading members.

If the Government would not stop the war, and if the League could not stop it, some new method must be found to meet the crisis. The leaders of progressive working class opinion in France decided that the only hope for effective opposition to the war lay in organized working class action. They therefore determined to oppose the war; to attack and expose the French ruling class *during the war* as war makers and war profiteers, and to make every effort to fraternize with their fellow workers in the "enemy country," the Riff.

5. The Committee of Action

French working class groups opposed to the Riff campaign began their offensive by organizing the Central Committee of Action. Originally this Committee was composed of representatives from the General United Federation of Labor, from the Communist Party, from the Republican Association of Ex-soldiers, from the Communist Youth Movement, and from the Tenants' League.*

During the Labor Anti-war Congress held in Paris on July 4-5, 1925, under the auspices of the Committee of Action, the Committee was reorganized. Members were added representing the peasants, the colonials, the organizations of women, the General Federation of Labor, and the Socialist Party. In this form the Committee represents the nearest approach to a united front that the French workers have been able to establish since the war.

The Committee of Action has branches or sections in most of the principal industrial centres of France. There are local branches, district or regional branches, and departmental branches. Each time that a labor congress is held in a locality or in a department an effort is made to have it organize a local or departmental Committee of Action.

Behind the Committees of Action and affiliated with them, a movement is under way to organize a Committee of Proletarian Unity in each factory, shop, station, and mine. All workers who desire to establish proletarian unity are included in these Unity groups. No distinction is made regarding political beliefs. They are the product of a widespread desire to get the working class together.

The Central Committee of Action, to use the words of its Secretary, "is not an organization. It is a grouping together of organizations for common action. The Committee does not levy on affiliated organizations. It is supported by voluntary contributions. It is a united front for a specified object—the Moroccan War campaign."

The Committee of Action was directed by the Paris Congress of July 4-5 to establish local bodies throughout France; to agitate for the organization of similar committees in England, Spain, and Italy; to issue a series of appeals to working women, to young workers, to soldiers, to sailors, to the middle class, to the peasants and to the colonial peoples. The Committee was also

**L'Humanité*, July 2, 1925.

authorized to convoke another Congress whenever this might seem desirable.*

Vigorous and straightforward pronouncements have been issued by the Committee of Action. Here, for example, is a part of its appeal to colonial peoples:

"Comrades of the Colonies!

"French capitalism, in order to increase its immense reservoir of human energy and in order better to exploit it, will, after it has conquered you, deprive you of all the political and economic rights enjoyed by its own working class, in order to deprive you of the means of defence."

Then follow special paragraphs directed to the workers in Algiers, Tunis, Black Africa, Madagascar, the Antilles, and Indo-China. Another paragraph warns the colonial workers against race hatred which is used by the master class to keep the workers divided. The appeal concludes:

"Working comrades of the colonies—

"You must join hands with the French workers in order to combat the capitalist manœuvres to divide us. . . . You must join with the workers of France in order to stop the bloody imperialist expeditions like that which is now being directed against the valiant people of the Riff.

"Uphold the French workers.

"Sustain their Committee of Action against the Moroccan War.

"Join them in demanding peace with the Riff Republic and the evacuation of Morocco.

"Long live the liberation of oppressed peoples!

"Long live the brotherhood of races!

"Down with colonialism!"†

Later in the campaign, when it had been decided to attempt a 24-hour general strike as a protest against the Moroccan War, the Committee of Action published a statement that read, in part: "The financial disaster, which will plunge the working classes into abject poverty is held back only by an understanding with the bankers, who, wishing the riches of the Riff, will sustain the Government while it continues the war."‡ Following this statement there is a list of the unions that have already agreed to participate in a general strike.

**L'Humanité*, July 7, 1925.

†*L'Humanité*, July 23, 1925.

‡*L'Humanité*, September 21, 1925.

6. Propaganda in the Chamber of Deputies

The public struggle against the Riff War has been actively waged in the Chamber of Deputies. The extreme Left bloc and their supporters rose again and again to denounce the war, to explain the economic causes which lay behind it, and to demand an immediate peace with the Riff. On May 27, 28, and 29, Doriot, Cachin, and Berthon particularly distinguished themselves by the effectiveness with which they challenged the position of the Government.

An idea of the vigor with which the French Communist Deputies attacked the war makers may be gathered from the *Journal Officiel*. At the sitting of May 27, 1925, for instance, Doriot pointed out that Abd-el-Krim had been in Paris in 1923 buying arms. Berthon had met him in Paris at the time and at Doriot's suggestion he stated the fact to the Chamber. He was able to give the names of those with whom Abd-el-Krim had dealt, of the bank that financed the transaction, and to refer to the text of the contract under which the arms were secured. These facts, Doriot said, showed that in 1923 French firms were supplying Abd-el-Krim with arms; that the French Government was aware of the facts; that Abd-el-Krim was permitted to come to Paris on a passport officially vised, and that all this was done with the full knowledge that the arms would be used against Spain. As a matter of fact, these arms were now being used against France.

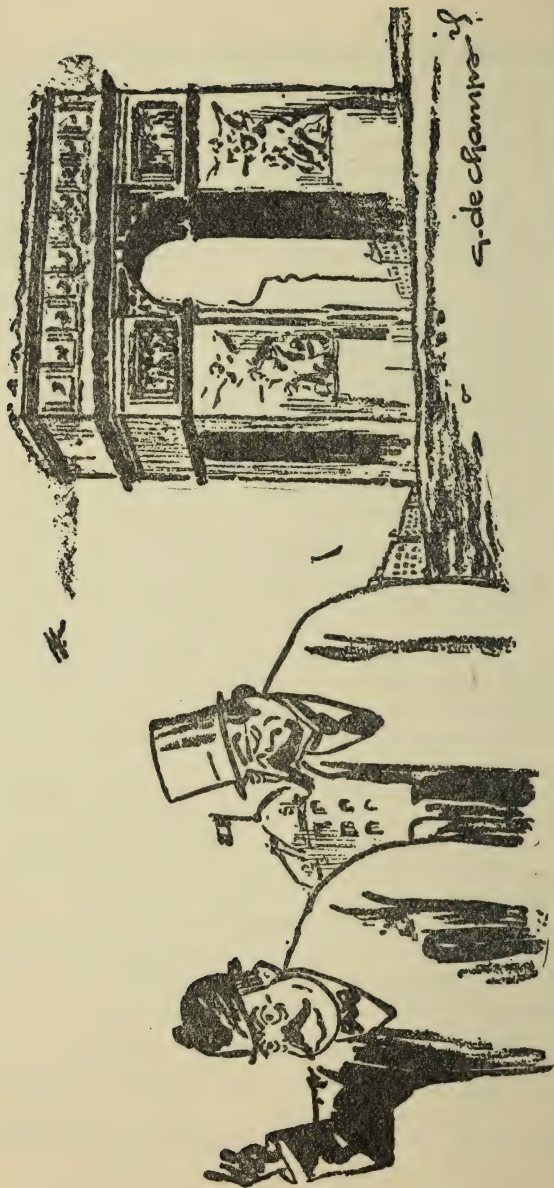
Abd-el-Krim, Doriot continued, had been trying for two years to come to an understanding with France. He had been accused of aggression against France. Quite the contrary; he had made every effort to establish peaceful relations with the French Government. To these overtures the French Government had refused to listen. If it was possible to talk with Abd-el-Krim on the subject of munitions in 1923, why was it not possible to talk on the subject of peace in 1924?

There was a very good reason indeed for the difference between the two cases. That reason was the intervention of French high finance. They wanted to sell arms in 1923. They wanted to get possession of the Riff minerals in 1924.

7. Doriot Names the Causes of the War

Four reasons lay behind the French aggression against the Riff in 1924. Doriot specified them:

"1. A question of prestige. Marshal Lyautey has said



L'Humanité, June 4, 1925

And later we will add there "The Unknown Soldier of Morocco."

that it was necessary to maintain our prestige by showing our power to Abd-el-Krim. . .

"2. We wished to get within our protectorate the rich tribes north of the Ouergha, including at least 40,000 persons, and line them up against the Riffs. We were trying to set up a conflict, on the frontier, between peaceful tribes. . .

"3. We wished to secure the fertile territories of this region in order to drive out the natives in a few years, or a few months, and turn their lands over to some of the big colonizing companies. . .

"4. The most criminal object of all—as clearly expressed in our press—was to deprive Abd-el-Krim of his food supply, and to bring about conditions of famine by this blockade."

Doriot then read from the *Temps* in order to establish his fourth point. There were objections and protests, but he insisted that the real cause of the Riff War was hunger resulting from the French blockade begun in 1924:

"You have spoken of Riff aggression. You should rather speak of a revolt of the tribes in the French Zone, backed up by the Riffs, whom you have tried to starve. The war is much less due to the action of the famished Riffs than to the action of those who have starved them. (Applause on the extreme left.)

"M. CHASSAIGNE-GOYON.—Is such language permitted in the French Chamber?

"M. DESIRE FERRY.—You are defending the cause of Abd-el-Krim.

"DORIoT.—As for you, you are defending your friends of the *Banque de Paris et des Pays-Bas*, who are making profits out of these doings. (Cries from the centre and the right.)

"M. BIRE.—This speech was written in Moscow.

"VAILLANT-COUTURIER.—There has not been a colonial expedition in the course of which the same means have not been employed.

"DORIoT.—We must admit that it is the French Government and the Resident General who must shoulder the responsibility for the existence of these conditions. . . .

"M. BIRE.—You carry the responsibility of traitors!

"DORIoT.—The opinion of the workers and the peasants will judge those who were not willing to discuss peace as responsible for the death of the soldiers who fall in Morocco. (Ap-

plause from the extreme left). The war is here as a result of your policies. . . .

"Already two war aims are clearly expressed in all the papers. The first is to destroy the independence of the Riff State.

"The example of this Moslem people which, after Turkey, and with little means, has actually succeeded in revising the treaties of the imperialists is too dangerous for the imperialists to tolerate. . . .

"That is one of the fundamental causes of your war.

"The second cause of the war is this: the Riff is rich. The mines furnish a tempting bait for our bankers. The *Banque de Paris et des Pays-Bas* is already involved all through Morocco.

"M. LOUIS ROLLIN.—You would prefer that it should be an English bank?

"M. ERNEST OUTREY.—With what can we develop the colonies if not with capital? You would bring nothing but disorder. (Exclamations on the extreme left).

"DORIOT.—There are, I repeat, three fundamental causes that take you into the Riff: one, a military cause; . . . one, a political cause, and finally an economic cause, much more important than the other two.

"The President of the Council, who is supported by a press which demands the punishment of the guilty and an exemplary treatment of the Riffs, might oppose his still-born pacifism to these manifestations. He exhibits it every Sunday in official ceremonies. (Applause from the extreme left.) But he will hardly have a chance to use it now as we are already engaged in negotiations with Spain for a joint offensive, and we shall doubtless decide to enter the Riff and pursue the Riffians to their homes.

"We shall see what the future will bring. In any case, you are accepting the tactics of the military supported by the bankers. . . .

"M. PIERRE-ETIENNE FLANDIN.—M. Doriot, do you also suggest the abandonment of Tunis?

"DORIOT.—We want Tunis to belong to the Tunisians. We do not want Tunis to go to Italy or to France. (Applause on the extreme left.)

"M. LE MIRE.—And France to the internationalists?



L'Humanité, June 7, 1925

You ask the way to the coal mines. There it is!

"M. JACQUES DUBOIN.—France to the French, M. Doriot.

"DORIoT.—Yes, France to the French, and not to American capitalists—Morgan and the others. (Applause on the extreme left.)"

8. International Complications

Doriot then pointed out the danger of a world war arising out of the struggle for North Africa. Italy was anxious. Spain was uneasy.

"Britain also is not welcoming your military activity with enthusiasm. When the English feel that the southern shore of the Strait of Gibraltar might fall into our hands, they will become anxious. What will you give them for their silence? . . .

"Do not forget also that by your action you are angering the whole Moslem world. . . . Even as far as India a great movement to help the Riffians financially has been organized. In trying to increase your prestige in a little corner of Morocco you have shown your true face as the oppressors of 20 millions of Moslems, and raised the other Moslems against you. (Applause from the extreme left. Lively manifestations on many sides).

"THE PRESIDENT.—These words are not admissible. France has never oppressed any people. (Loud applause.)

"M. FRANKLIN-BOUILLON.—This is abominable language.

"M. BARTHELEMY ROBAGLIA.—You strike the French soldiers in the back.

"M. FRANKLIN-BOUILLON.—It is a shame!

"NUMEROUS VOICES.—To the door!

"FROM THE EXTREME LEFT.—Down with war!

"RENAUD JEAN.—Those who carry on colonial expeditions are the assassins. (Applause from the extreme left. Protests from the other benches.)

"FROM VARIOUS SIDES.—Censure him! Censure him!

"THE PRESIDENT.—I have already protested, as was my duty, against the words which M. Doriot has spoken. . . .

"DORIoT.—You have spoken of the soldiers from our colonies who died for France during the war. We also have the right to speak of them. These soldiers came from distant places to fight for a cause which was not their own! (Applause from the extreme left. Lively protests from other benches.) . . .

"DORIOT.—At the moment when I was interrupted I was about to say that at that time you made them promises of democratic reforms,—of the right to vote. (Applause on the extreme left.)

"M. GASTON THOMPSON.—No! No!

"M. EDOUARD DE WARREN.—That is false!

"DORIOT.—These promises, made to Algerians and Tunisians, are not being kept today. Movements of disillusionment and antagonism against you have sprung up in these countries. Very largely they are dissatisfied with your country. . . .

"THE PRESIDENT.—You should say 'our' country. (Applause.)

"DORIOT.—They are dissatisfied with your country, governed by your class, and they are thinking of giving themselves a somewhat greater freedom than you are willing to allow them. . . . This little people, which has long struggled to liberate itself from foreign domination, needs a breathing space. They are trying to organize their country. . . . They have already begun.

"M. PIERRE-ETIENNE FLANDIN.—Yes, with cannon.

"DORIOT.—Cannon that you have sold them, perhaps. The Riffs are waiting for a moment of peace to recommence this work. They would gladly receive the news of peace negotiations. . . .

"During twenty years Morocco has cost 12,000 lives, according to the official statement. The present war will devour thousands more. . . . While soldiers die and the expropriated natives suffer, the bankers are making scandalous profits, and some dividends are up to 30 per cent! . . ."

9. Doriot Tells the Soldiers to Fraternize

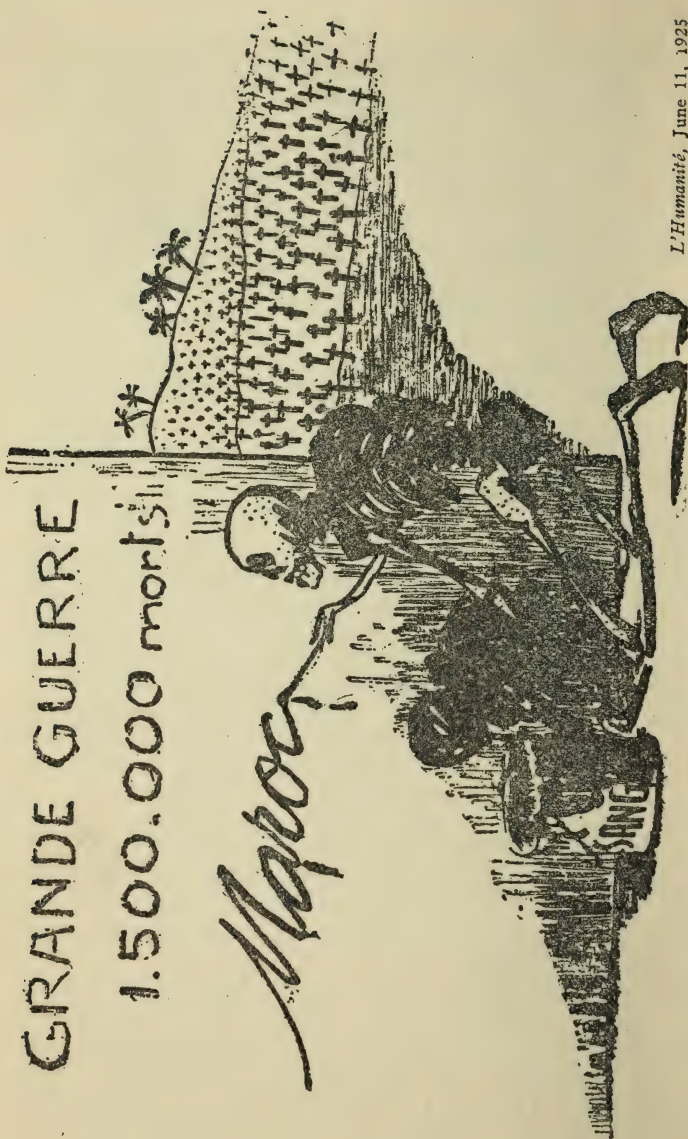
Doriot then read from the letters written by soldiers, expressing their dissatisfaction with the war, and demanding its termination. He was repeatedly interrupted and attacked during this portion of his speech.

"DORIOT.—Tomorrow, gentlemen, when, leaving France with such a spirit of opposition, the soldiers reach the front and realize that in the interior of this country, workers and peasants like them want immediate peace with the Riff, and that those who govern France refuse to take the least step in this direction, they will consider themselves no longer bound to

GRANDE GUERRE

1.500.000 morts

Adieu!



Postscript.

L'Humanité, June 11, 1925

you. They will seek out the means to end the war that you wish to continue. They will remember that, in other circumstances, the marines on the Black Sea. . . . (Applause from the left. Lively protests from other benches.)

"M. DUBOYS-FRESNEY.—It is a call to mutiny.

"DORIoT.—. . . as later on our soldiers in the Ruhr held out their hands to the workers who were opposing them. They will also remember that on this same Riff front the Spanish soldiers have talked with the Riffians. (Applause from the extreme left. Lively protests from numerous benches. Tumult.)

"NUMEROUS VOICES.—Censure!"

After a period of disorder Doriot was again given the floor to make his position clear.

"DORIoT.—Permit me then, so that there may be no misunderstanding. . . .

"GÉNÉRAL SAINT-JUST.—The Government should jail you!

"THE PRESIDENT.—M. Doriot, I ask you, have you invited our soldiers to desert?

"DORIoT.—I said: Tomorrow, when they learn that in the interior of this country workers and peasants like them desire immediate peace with the Riff, and believe that it is possible to obtain this peace, and that the governors of France refuse to take the least step, they will consider themselves no longer bound to you. They will seek the means of stopping the war that you wish to continue. (Interruptions from various benches.)

"Let me read to the end, gentlemen.

"They will remember that, under other circumstances the marines on the Black Sea refused to fire on the revolutionary workers of Russia . . . that the soldiers of the Ruhr fraternized with the Germans. (Protests. Tumult.)

"M. CHARLES FRANCOIS.—It is not true!

"DORIoT.—I say that the soldiers in the Ruhr fraternized with the German workers; that the Spanish soldiers on the same Riff front were not afraid to talk with the Riffians and I add: they will hold out a hand of friendship to those that you now call enemies. They will impose peace on you. That is my conviction and my belief. (Applause on the extreme left. Protests from other benches. Tumult.)

"FROM MANY BENCHES.—Censure!"

"CORNAVIN.—Down with war!

"M. ANDRÉ FRIBOURG.—You are bargaining with the blood of soldiers.

"THE PRESIDENT.—I must say to M. Doriot, and to the Assembly, that these words are grave side by side with those already pronounced. If, unluckily, a soldier, in a careless moment was caught, lacking in military duty . . .

"ANDRÉ BERTHON.—Make peace!

"THE PRESIDENT.— . . . was caught under the conditions indicated by M. Doriot, he, Doriot, would suffer no ill effects; the poor soldier would risk his life.

"Prolonged tumult. The deputies on the extreme left rise and sing the International. Applause. Protests. The Presi-



L'Humanité, July 11, 1925

dent puts to the Chamber the question of censure. Doriot is censured.

"THE PRESIDENT.—M. Doriot has the floor to finish his speech.

"DORIOT.—Gentlemen, I finished my speech with my appeal to the soldiers. The appeal to fraternize was my last word."

Other sessions of the Chamber during which the Communist Deputies spoke against the Riff War were no less tempestuous. Economic fact and political propaganda, clear-cut and unequivocal, was directed again and again at the French war makers and imperialists.

10. French Imperialism Gives Itself Away

Once in a long time the secrets which imperialists whisper in one another's ears are shouted from the house-tops. This happened in 1917 when the Russian revolutionists published the secret treaties found in the files of the Tsarist Government. It happened again in June, 1925, when Doriot rose in the Chamber to read a letter written by M. Vatin-Perignon, chief of Marshal Lyautey's personal staff at Fez, to M. Pierre Lyautey, nephew of the Marshal, living in Paris.

It was one thing to have a Communist Deputy describe the objects of the war and point out its causes. It was quite another to have these facts from the headquarters of the General in command on the Riff front.

The letter was dated May 25, 1925. It is reproduced in full in the *Journal Officiel* for June 23. The letter asserts that the French were not surprised by the Riff attack. On the contrary, "the Marshal was so well informed and had so thoroughly foreseen what was to happen, that, from January, 1924, on (see his reports to the government) he was preparing for war." Marshal Lyautey had built a line of blockhouses north of the Ouergha. These blockhouses served the double purpose of excluding the Riffs from the rich Ouergha valley and of forcing the French prohibition against trade between the valley and the Riff. These blockhouses were constructed "in May, 1924, while Abdel-Krim, his attention taken up by the Spaniards, could not react. . . . This front was established on a strategic line . . . without striking a blow. After May, 1924, this front was reinforced, fortified, and its communications with the base secured by a system of roads, bridges, and railways."



Profit.....Loss!

L'Humanité, July 15, 1925

The system of blockhouses, the letter explains, was intended to hold back the enemy until the arrival of reinforcements. "These reinforcements were arranged for and ready either in Algeria, or in France. That is a secret of general mobilisation which has not been and must not be revealed."

The letter concludes with some comments on the difficulties which confront the French in view of the fact that the enemy territory, the Riff, lies within the Spanish zone.

"Either he will treat with us—but what will be the value of that for the future? Or he will continue to attack us, now on one point, now on another: which means a perpetual state of war. Or, in agreement with the other Powers, we can invade his territory, and that is a very big business (*c'est une très grosse affaire.*)"

M. Vatin-Pérignon concludes by stating that:

"The Marshal is entirely and fundamentally in agreement with the Government, and the latter is doing all that it can, all that it should. The duty of all good Frenchmen, who do not forget that our future in Morocco, that is to say, our future in the Mediterranean (Algeria, Tunis), is at stake, is to support the Government on this point with all their strength."*

The letter created a sensation. Its author immediately resigned as chief of Lyautey's staff. No denial of its contents ever appeared and it has been generally accepted as a correct statement of French imperial policy in Morocco—a policy of deliberate aggression based on military conquest.

11. "Set Morocco Free!"

Again on June 23 Doriot, speaking in the Chamber, reiterated the position of the Communist Deputies. "If we were in power we would bring an immediate end to the French occupation of the colonies." M. Renaudel interrupted with a question as to whether he had correctly heard. Doriot retorted: "We shall arrive at power by the revolution. It will be a proletarian dictatorship. We shall proclaim the independence of the colonies, Algeria, Madagascar, and all the colonies will have free choice as to their form of government."†

*A pamphlet reproducing this letter and giving a full report of the debate in the Chamber is published by *l'Humanité*, 142 rue Montmartre, Paris: *Le Militarisme Français a l'oeuvre au Maroc*; 5 cents.

†*L'Humanité*, June 24, 1925.

Never was the issue made clearer. Never were there more emphatic and categorical statements concerning the right of self-determination for small peoples.

12. The Press Barrage

French radical journalism is always vigorous. The writers and cartoonists on *l'Humanité* and the other French papers engaged in the anti-war offensive have been at their best during their campaign against the Riff War.

Day after day *l'Humanité* has carried great streamers across the front page such as: "Immediate peace!" "Make peace with the Riff!" "The Moroccan menace! All together against the bankers' war." "The War for bankers' profits." "The Workers' Congress against the Moroccan War—one sole remedy—working class unity!" "By order of high finance our soldiers must destroy a people fighting for its independence."

The moral of all these headings is the same: a demand for the cessation of an imperialist war.

In the upper right hand corner of the front page of *l'Humanité*, where the *New York Times* ordinarily reports the weather, the editors ran a series of brief commentaries, challenges, and demands concerning the war. For example (July 25, 1925):

"Abd-el-Krim offers peace. Here is the reply of *The New*



l'Humanité, July 27, 1925

Their new formula (Dead for prestige).

Age, official organ of the Left Wing: 'Airplanes! Munitions!'"
The next day, at the same point in the paper:

"The Government lied!

"It has always declared that Abd-el-Krim takes no prisoners.

"Now the Riff chief offers to return without ransom a third of the prisoners that he holds, both Spaniards and French."

Two days later (July 28):

"Twice, Abd-el-Krim, who is a 'barbarian,' has stated his peace terms.

"M. Painlevé, 'civilized,' 'democrat,' 'pacifist,' is against secret diplomacy.

"But he has not once stated his terms of peace."

These spectacular attacks on the Riff War have been accompanied by editorial comment, citations of military oppressions, stories of prosecutions of those guilty of agitation against the war, cartoons, calls for protest meetings, and letters from soldiers at the front. All this material has been courageous, straightforward and unflinching in its denunciation of the government and of the war.

The call for a meeting printed across the front page of *l'Humanité* for May 10 reads:

"People of Paris, the French imperialists have recommenced the Moroccan War.

"It will be long and bloody.

* * *

"Enough bloodletting! We must finish with this Moroccan nightmare!

"Comrade soldiers, fraternize with the Riffs.

"Workers of Paris, join with us in demanding immediate peace with the Riff and the evacuation of Morocco."

Another call for a meeting printed on June 28 reads:

"Down with the Moroccan War!

"Socialist workers, see that you are represented at the Workers' Congress on July 4 and 5."

At a campaign meeting held by the Socialist Party, the secretary of the Sedan region presented to the workers of Vrine-aux-bois the following resolution which was unanimously passed and printed in *l'Humanité* July 24, 1925: "The working men and women of Vrine-aux-bois protest vigorously against the Moroccan War, and have decided to struggle by every means against

the abominable butchery now in progress, to boycott the manufacture and the transport of arms and of munitions to Morocco, and to demand the immediate cessation of hostilities, the recognition of the Riff Republic, and the return of all our soldiers to France."

13. A Frontal Attack on Imperialism

Throughout the anti-war campaign the editors of *l'Humanité* kept the economic aspects of the war in the foreground. On June 19 an appeal from the Communist International was printed, reviewing the economic and political situation with particular reference to the Riff War. On July 2 an appeal to French intellectuals signed by Henri Barbusse and a large number of fellow journalists denounced the war and called upon the French workers to enforce peace. On May 21, 1925, *l'Humanité* printed a story of the visit of Abd-el-Krim to Paris in the spring of 1923, giving names, dates, and other minute data connected with his purchasing of arms and ammunitions from French houses.

"The workers are against all European imperialism," declares *l'Humanité* in its issue of July 20, because "the defeat of French imperialism will signify the immediate cessation of hostilities and the saving of precious working class lives." Therefore, "the French workers hope for and wish this defeat.

"Down with the criminal Moroccan War!

"Down with French imperialism!

"Peace without phrases!"

The Republican Association of Ex-soldiers (A.R.A.C.) issued a vigorous appeal which appeared in *l'Humanité* May 21:

"Ex-soldiers, victims of the war, up!

"There is no money to pay pensions to the victims of the war!

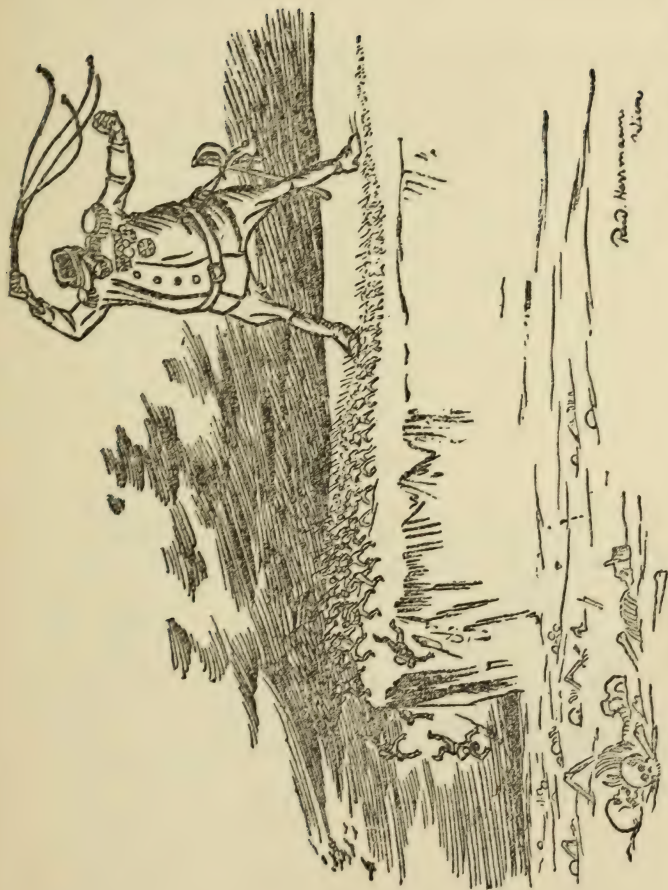
"There is money, on the other hand, to support the war in Morocco. . . .

"The natural riches of the Riff are coveted by French imperialists.

"There lies the secret of the Moroccan expedition."

14. Fraternize!

Doriot in the Chamber, *l'Humanité* and other papers, *The Barracks*, *The Conscript*, and *The Advance Guard*, circulated among the soldiers, handbills secretly and illegally distributed



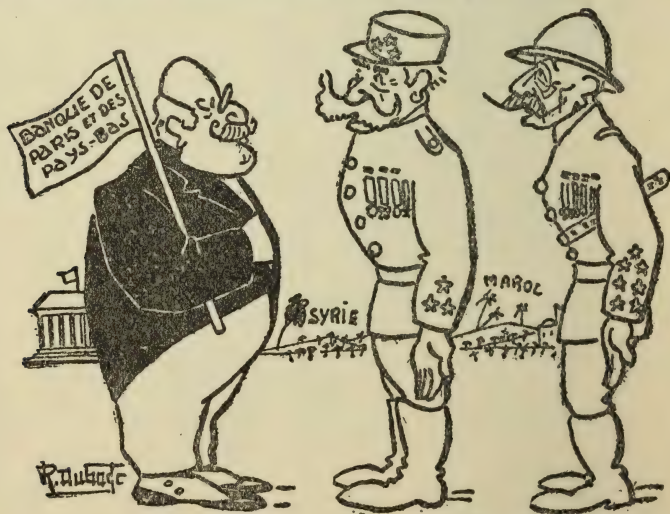
L'Humanité, July 29, 1925
Let the French proletariat perish!

Long live France, in God's name!

among the soldiers and sailors, placards posted in the barracks—all have advised the workers in the French army and navy to fraternize with the Riff. As the cartoonist Deschamps phrased it: "They force you to fraternize in death. Why not fraternize in life?"

At the beginning of the struggle *l'Humanité* published a front page appeal to the relatives and friends of soldiers, advising them that the Government was hiding the truth concerning the Riff War and that it was necessary for those interested in the soldiers to publish the truth, since the government would not even tell how many soldiers have been sent "to fight the war of the bankers." "They pretend beside that the soldiers are happy to take part in this war for the profit of colonial freebooters, of parliamentary speculators and of the *Banque de Paris et des Pays-Bas*, of which the sole object is to wipe out a free people in order to use their rich mines. But we know that the soldiers leave, shouting 'Down with war! Peace with the Riffians!'"

The appeal concludes with the request that all letters and other information from soldiers be sent to *l'Humanité*. Large quantities of this material have since been published.



L'Humanité, August 13, 1925

Soldiers, I am proud of you!

On July 1 *l'Humanité* printed the story of a soldier who turned to some women as he was taking his place in the train and said: "Have some children in order that the bourgeoisie may send them to the shambles at the age of twenty." On July 24 *l'Humanité* printed a letter in which a soldier writes: "Again we are the victims, as were our parents, we who demand nothing but peace and who have no interest in making war." In the course of this letter the writer refers to "our great national butchers, heartless and without guts."

The Central Committee of Action, in its appeal to soldiers and sailors, wrote:

"Despite the promises which were made to us in 1918, war has begun again in Morocco, and it is as horrible as that which ravaged the earth during more than four years.

"The object of this war is not to save national honor. They are sending you to die in Morocco in order that the bankers may get their hands on the rich resources of the Riff Republic, to enrich a handful of capitalists. . . .

"Fraternize with the Riffians.

"Stop the war in Morocco."*

Two days later, on July 22, *l'Humanité* printed the following comment on the war:

"The workers of this country realize more and more that the Moroccan War was started by the military clique at the direction of European capitalists, in particular of French capitalists, in the person of the *Banque de Paris et des Pays-Bas*.

"Why?

"Because capitalism hopes, after the defeat of the Riff people, to secure the deposits of iron and copper and the reserves of petroleum that lie in the Riff subsoil.

"That is why and that is for whom the sons of workers and of peasants are being killed in Morocco.

"It is against them, and against that, that the Riffians are defending themselves. . . .

"The imperative duty of the workers who would hasten the end of this criminal slaughter and who would spare the lives of our sons and of our brothers is very plain:

"Workers of France and of the Riff, fraternize!"

**L'Humanité*, July 20, 1925.

15. Behind the Campaign—the Workers

Behind the anti-war campaign which has been prosecuted with such vigor are millions of French workers and peasants. Without this constituency the movement would have been crushed at its inception.

Before the Moroccan War began, French Communists had changed their form of organization from a political to an economic basis. Instead of being organized by districts they were organized by shops.

When it became apparent that the war would be of considerable duration two workers' congresses were arranged, one for Paris and its environs, July 4 and 5, and one for Lille and the northern districts of France, July 12. Both congresses were notably successful. Both consisted of delegates elected directly from the shops and representing the wishes of a great body of French workers. The Paris Congress seated 2,470 delegates, representing approximately 1,210,000 workers. Among these delegates 195 represented General Confederation of Labor (Amsterdam) unions, 155 were members of the French Socialist Party, and 343 were non-party or independent. Throughout the sessions of the Congress, workers from shops, factories and offices rose to say simply and directly that what their fellow workers wanted was united labor action to smash the Moroccan War and to protect the standard of living of the French workers. Fraternal delegates from surrounding countries spoke to the Congress in the name of peace and unity. Liebaers, Secretary of the Belgian Garment Workers' Union, concluded a carefully reasoned speech by saying:

"Workers of France! You are faced with this alternative, from which there is no escape. You will either pay dearly for the error of your divided forces, and will allow still heavier chains of slavery to be riveted upon you. Or else, by Trade Union Unity, you will be able to stop the criminal war in Morocco, and then to forge the weapon which the workers need for their final emancipation."*

The Paris Congress issued a statement to the workers of the cities and country of France and of the colonies, in which it asserted that "a handful of bankers, masters of the earth, masters of all Moroccan production, wish at any price to extend their

**Workers' Weekly*, July 10, 1925.

domination over the portion of territory that Abd-el-Krim and the Moroccans have liberated from the yoke of Spanish capitalists.

"The bankers wish to conquer the Riff mines.

"The bankers wish to destroy the Riff Republic because it has become for all oppressed colonial peoples a symbol of their independence."*

The Congress at Lille, one week later, was equally successful. There were 1,189 delegates representing 282,000 workers. As in the case of the Paris Conference these delegates spoke for the various Left Wing elements of French labor.

These Congresses have been described as the first Soviets of France. In one sense the description is correct. They represent neither political parties nor political ideas, but a new working class consciousness of power and responsibility.

16. The Imperialists Fight Back

This description of the valiant struggle which the French workers have organized against the Moroccan campaign has been written as though radicals in France were free to speak their minds and carry on their propaganda unhampered by government interference. The case is far otherwise. By June 18

**L'Humanité*, July 9, 1925.



L'Humanité, September 14, 1925

Do as we do! Fraternize!

l'Humanité was able to report 117 arrests with numerous prosecutions instituted against other comrades. These prosecutions had been instituted in cities as widely scattered as Paris, Toulouse, Nancy, Tours, Saint-Etienne, Calais, and Lyons. On July 26 *l'Humanité* reported three comrades imprisoned for two weeks as the result of the calling of a shop meeting.

"The Republic of bankers, bourgeois, liberals and Socialist leaders, accomplices in Moroccan propaganda, has nothing to learn from the monarchist regime of the middle ages. It allows the big legal thieves to run the roads and throws into its dungeons the sincere workers who are struggling against oppression.

"Since the 10th of July Comrades Raux, Le Troadec and Ringuit have been kept in absolute solitary confinement in the prison of Avesnes (Nord)."

Late in September, the Secretary of the Central Committee of Action estimated that there had been about 400 prosecutions and something over 100 convictions. Leaders in the big cities as well as more obscure workers had been prosecuted, but with this difference: the leaders were ordinarily given suspended sentences, while unknown workers in the smaller towns were sent to prison for as long as six months for posting up bills denouncing the war and advising the soldiers to fraternize with the Riffians.

On Monday, October 12, 1925, the Central Committee of Action called a 24-hour general strike as a protest against the Moroccan War. The strike was particularly successful in Paris where it tied up the transport service and brought tens of thousands of workers to the streets in a vigorous anti-imperialism demonstration.

17. Working Class Action against War

The decision of the French workers to adopt these class conscious tactics marks a very important change in the attitude of the working class of Europe toward war. Heretofore, the European workers have been satisfied to carry on general propaganda during peace times and then, when war did break out, to fight patriotically for "victory" and "glory." Such tactics imply the acceptance of the economic situation out of which wars grow, and merely oppose each particular war as it arises without any effort to get back to its causes or to prevent it at the source.

The French workers who organized the campaign against the

Moroccan War of 1925 decided to fight the economic system primarily and the war only incidentally. Their campaign was not so much a campaign against war as it was a campaign against bankers, profiteers and concessionaires whose activities make war inevitable.

Class conscious working class action against war may take several forms. First, there is anti-war and anti-militarist propaganda which points out the causes of war and shows how owners profit while workers pay. Second, there is the propaganda in the shops and in the industries. This may include anything from a boycott or a refusal to handle military stores to a general strike whose object is the paralysis of the government in its effort to conduct the war. Third, there is the propaganda in the army and navy. This propaganda may aim merely to undermine the morale of the soldiers and destroy their confidence in the government, or its object may be mutiny and aggressive refusal of service on the part of the enlisted men.

Anti-war propaganda can be carried on legally so long as the government permits it. Political boycotts and strikes are effective only when the workers are thoroughly united. A general mutiny on the part of the army and navy presupposes a revolutionary situation of a very intense character. The leaders of the French movement steered a course which involved neither a general strike nor a general mutiny but which was aimed to undermine both industrial and military capitalist morale and to lead to fraternization with their fellow workers in the Riff.

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